



DECCAN TRANSCON LEASING LIMITED

Policy for determining the Material Subsidiary

(Effective from 28th August 2025)

Scope and Applicability:

This Policy has been formulated by the Board of Directors of Deccan Transcon Leasing Limited (“the Company”) in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The objective of this Policy is to set out the criteria for determining Material Subsidiary (ies) and to provide a framework for their disclosure and governance, as prescribed under the applicable provisions of the SEBI Listing Regulations.

Effective Date

This Policy shall come into effect from the date of the Board meeting at which it was approved, i.e., 28th August 2025."

Definition

For the purpose of this Policy, unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

“**Act**” refers to the Companies Act, 2013, and the rules framed thereunder, including any amendments or modifications made from time to time.

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, as amended from time to time.

“**Board of Directors**” or “**Board**” refers to the collective body of Directors of the Company, as constituted from time to time.

“**Independent Director**” means an Independent Director as defined under the Act and the SEBI Listing Regulations from time to time.

“**Holding Company**” means a holding company as defined under Section 2(46) of the Act. means Insolvency and Bankruptcy Code, 2016, as amended.

“**Material Subsidiary**” means a material subsidiary of the Company as under Regulation 16(1)(c) of the SEBI Listing Regulations, or as may be amended in the SEBI Listing Regulations from time to time.

“**Net worth**” means net worth as defined under section 2(57) of the Companies Act, 2013.

“**Subsidiary**” shall mean a subsidiary as defined under the Companies Act, 2013.

“**Unlisted Subsidiary**” means a Subsidiary of the Company whose shares are not listed on any stock exchange.

Criteria for Determining Material Subsidiaries

A subsidiary of the Company shall be considered a Material Subsidiary if it meets the criteria specified under Regulation 16(1)(c) of the SEBI Listing Regulations, as amended from time to time.

The Audit Committee shall periodically review such financial and operational information, and other relevant details, as may be necessary to determine whether a subsidiary qualifies as a Material Subsidiary in accordance with the applicable regulatory framework.

Governance of Material Subsidiaries

(a) Appointment of Independent Director

At least one Independent Director of the Company shall be appointed as a Director on the Board of Directors of an unlisted Material Subsidiary, whether incorporated in India or abroad.

For the purposes of this Clause, the term “Material Subsidiary” shall mean a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth, respectively, of the Company and its subsidiaries, as per the immediately preceding accounting year.

(b) Matters to be Reviewed by the Audit Committee

The Audit Committee of the Company shall review the following matters relating to the unlisted Material Subsidiary(ies), in line with the SEBI Listing Regulations:

The financial statements of the unlisted Material Subsidiary, particularly with respect to investments made.

The utilization of loans and/or advances from or investments made in the subsidiary, amounting to more than ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower.

(c) Matters to be Reviewed by the Board

The Board of Directors of the Company shall review the following in relation to its unlisted Material Subsidiary(ies):

The minutes of meetings of the Board of Directors of such subsidiaries shall be placed before the Company’s Board.

The management of the unlisted subsidiary shall periodically present to the Board a statement of all significant transactions and arrangements entered into by the subsidiary.

For the purposes of this clause, “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues, expenses, assets, or liabilities of the unlisted subsidiary, as per the immediately preceding accounting year, and shall align with the meaning provided under Regulation 24(4) of the SEBI Listing Regulations.

(d) Disposal of Shares or Assets of a Material Subsidiary

The Company shall not dispose of shares in its Material Subsidiary, which would result in:

Reduction of its shareholding (either independently or together with other subsidiaries) to 50% or less; or

Loss of control over the subsidiary without passing a special resolution in a general meeting of shareholders, except where such divestment is made under:

A scheme of arrangement duly approved by a Court or Tribunal; or

A resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, and such an event is disclosed to the recognized stock exchanges within one working day of the approval.

The Company shall not sell, lease, or dispose of assets amounting to more than 20% of the total assets of the Material Subsidiary on an aggregate basis during a financial year without obtaining prior approval of shareholders by way of special resolution, unless such transaction falls under a court-approved scheme or a resolution plan as described above.

(e) Secretarial Audit

All unlisted Material Subsidiaries incorporated in India shall undergo a secretarial audit. The secretarial audit report, issued by a Company Secretary in practice, shall be annexed to the annual report of the Company.

Note: The Company is listed on the SME Emerge Platform of NSE. Accordingly, Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which outlines corporate governance requirements in relation to Material subsidiary companies, is not applicable to "The Company."

(f) Disclosures under Regulation 30 of the SEBI Listing Regulations

The Company shall disclose all events or information with respect to its subsidiaries that are considered material for the Company, in accordance with Regulation 30(9) of the SEBI Listing Regulations.

(g) Related Party Transactions of Material Subsidiaries

All Related Party Transactions ("RPTs") entered into by a Material Subsidiary shall be undertaken in compliance with Regulation 23 of the SEBI Listing Regulations and the Company's Policy on Related Party Transactions, as amended from time to time.

- Any Material RPTs (as defined under SEBI Listing Regulations) of a Material Subsidiary shall require prior approval of the Audit Committee of the Company.
- Where required under applicable law, such transactions shall also be subject to approval by the shareholders of the Company.
- The Audit Committee shall periodically review RPTs undertaken by the Material Subsidiary to ensure compliance with statutory and policy requirements.

Disclosure

The Policy on Material Subsidiaries shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company, in accordance with the SEBI Listing Regulations.

Policy Review and Amendment

This Policy may be amended, modified, suspended, or repealed at any time by the Board of Directors, subject to compliance with applicable laws.

The Board may resolve any difficulties or ambiguities that arise in the interpretation or implementation of this Policy in line with its overall intent. Further, the Board may also prescribe additional procedures or rules, as may be required, to give full effect to this Policy.

In the event of any conflict between the provisions of this Policy and applicable laws, the provisions of such applicable laws shall prevail. This Policy shall be reviewed and updated from time to time to ensure compliance with the amendments in regulatory requirements.