



## IKF Finance Limited

Policy on Material Subsidiaries	
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Prepared By	Company Secretary team
Proposed By	Company Secretary
Approving Authority	Board of Directors
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## 1. Policy Objective

To determine the Material Subsidiaries of the Company in accordance with the criteria laid down in Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

## 2. Policy

1. A subsidiary shall be a Material Subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
2. However, for the purpose of appointment of an Independent Director of the Company on the Board of Directors of unlisted material subsidiary, whether incorporated in India or not, as required under Regulation 24(1) of the Listing Regulations, ‘material subsidiary’ shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
3. The Audit Committee of Board of the Company shall review the financial statements, particularly the investments made by the unlisted subsidiary.
4. The minutes of the Board Meetings of the unlisted subsidiary shall be periodically placed before the Board of the Company
5. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered by the unlisted subsidiary

## 3. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution as prescribed under the Listing Regulations, shall not:

- a) Dispose shares in the Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%; or
- b) Ceases the exercise of control over the Subsidiary; or
- c) Sell, dispose of or leasing of the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during an accounting year.

However, the requirement of obtaining shareholders’ approval by way of Special resolution is not required in cases where such divestment, sale, disposal, lease is made:

- (i) under a scheme of arrangement duly approved by the Court / Tribunal or
- (ii) under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

(iii) if such sale, disposal or lease of assets is between two wholly owned subsidiaries of the listed entity.

#### 4. Disclosures

The Policy for determining material subsidiaries will be posted on the Company's website and a web link thereto will be provided in the Annual Report

#### 5. Amendments to the Policy

The Board of Directors on its own and / or as per the recommendations of Audit Committee may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time

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