

**OPTIMUS FINANCE LIMITED**  
**CIN: L65910GJ1991PLC015044**

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**POLICY FOR DETERMINING MATERIAL  
SUBSIDIARIES**

## INTRODUCTION

The Board of Directors of Optimus Finance Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

## OBJECTIVE

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

The Policy is framed in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) (including any amendments thereof).

## DEFINITIONS

“**Act**” means the Companies Act 2013 as may be amended from time to time.

“**Board of Directors**” or “**Board**” means the Board of Directors of Optimus Finance Limited, as constituted from time to time.

“**Company**” means Optimus Finance Limited.

“**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

“**Subsidiary**” means a subsidiary as defined under the Act and Rules made there under.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the, LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

## POLICY

A subsidiary shall be considered as **Material** if –

- the income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year

A list of such Material subsidiaries shall be presented to the Audit Committee annually for its noting.

### **REQUIREMENT REGARDING MATERIAL SUBSIDIARY**

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year, unless in cases where the divestment/ sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

### **ADDITIONAL REQUIREMENT FOR MATERIAL NON-LISTED SUBSIDIARY**

At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

For the purposes of this requirement, “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.”

### **REQUIREMENT REGARDING UNLISTED SUBSIDIARY COMPANY**

- The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.
- 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 into by the unlisted subsidiary company.

### **EXPLANATION**

The term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

### **AMENDMENTS**

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

**SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the LODR / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such LODR / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.