



POLICY ON DETERMINATION OF MATERIAL SUBSIDIARY(IES)



OPTIMUS FINANCE LIMITED
CIN: L65910GJ1991PLC015044
REGISTERED OFFICE: 301-304, SEARS II, EAST WING, GOTRI-SEVASI ROAD, SEVASI, VADODARA-391101 GUJARAT, INDIA.
TEL NO.: +91 – 265 – 2325321.
EMAIL: INFO@OPTIMUSFINANCE.IN SECRETARIAL@OPTIMUSFINANCE.IN
WEBSITE: WWW.OPTIMUSFINANCE.IN

INDEX		
Sr. No.	Particulars	Page No.
1.	PREAMBLE	03
2.	DEFINITIONS	03
3.	PURPOSE & SCOPE	04
4.	CORPORATE GOVERNANCE FRAMEWORK	04
5.	WEBSITE DISSEMINATION	05
6.	AMENDMENTS	05

1. **PREAMBLE:**

Optimus Finance Limited ("Company") is governed amongst others by the rules and regulations framed by Securities Exchange Board of India ("SEBI"). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") lays out regulatory requirements for material subsidiaries of Listed Companies.

The Board of Directors ("Board") of the Company has adopted this policy for determining material subsidiaries of the Company ("Policy") in accordance with the provisions of Regulation 16(1)(c) of the Listing Regulations. All the compliance requirements relating to material subsidiaries shall be followed by the Company, as legally required.

This Policy sets out criteria for determination of material subsidiaries.

2. **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 an Independent Director referred to in sub-section (6) of section 149.

"Listing Regulations, 2015" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Material Subsidiary" shall mean a subsidiary whose turnover or net worth exceeds ten percent (10%) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"Policy" means this Policy, as amended from time to time.

"Subsidiary" shall mean a subsidiary as defined under the provisions of Section 2(87) of the Companies Act, 2013 (which is reproduced hereunder for easy reference) read with prevailing rules made thereunder.

"Subsidiary Company" or "Subsidiary", in relation to any other company (that is to say the holding company), means a company in which the holding company—

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation.—For the purposes of this clause,—

- (a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;
- (b) the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- (c) the expression "company" includes any body corporate;
- (d) "layer" in relation to a holding company means its subsidiary or subsidiaries;

"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.

3. PURPOSE & SCOPE:

The scope under this Policy is restricted to the determination of "Material' Subsidiary under the prevailing provisions of the Companies Act, 2013 read with Rules made thereunder and the SEBI Listing Regulations, as amended from time to time and to provide Corporate Governance Framework with respect to Subsidiaries of the Company.

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations or the Act or any other relevant legislation/ regulation applicable to the Company, the provisions of the SEBI Listing Regulations or the Act or such other relevant law / regulation shall prevail over this Policy.

4. CORPORATE GOVERNANCE FRAMEWORK:

- 4.1 At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.
- 4.2 The Audit Committee of the Company shall also review the Financial Statements, in particular, the investments made by the unlisted subsidiary.
- 4.3 The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- 4.4 The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- 4.5 The Company, without passing a special resolution in its General Meeting, shall not-

(i) dispose of its shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% [Fifty Percent] or

(ii) cease the exercise of control over the subsidiary

(iii) selling, disposing and leasing of assets amounting to more than 20% [Twenty Percent] of the assets of the material subsidiary on an aggregate basis during a Financial Year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

4.6 The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the Company.

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

5. WEBSITE DISSEMINATION:

As required under the SEBI Listing Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

6. 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.
