



ASK AUTOMOTIVE LIMITED POLICY ON DETERMINING MATERIAL SUBSIDIARIES

1. GENERAL:

Regulation 16(1)(c) and Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“**SEBI Listing Regulations**”) requires a listed entity to formulate a policy for determining ‘material subsidiary’. In terms of the said requirements, the Board of Directors (**Board**) of ASK Automotive Limited (“**Company**”) has formulated a policy for determining “material subsidiary” (“**Policy**”), based on recommendation of Audit Committee and adopted such policy vide its Board meeting held on 30th October, 2023.

2. EFFECTIVE DATE:

The Policy shall come into force with effect from the date Regulation 16 of the SEBI Listing Regulations is effective with respect to the Company.

3. DEFINITIONS:

“**Act**” means the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

“**Audit Committee**” means the Committee formed under Section 177 of the Act read with rules thereunder, as amended.

“**Holding Company**”, in relation to one or more other Companies, means a Company of which such Companies are Subsidiary Companies.

“**Independent Director**” means a director appointed on the Board of the Company as Independent Director and who fulfils the required criteria under the Listing Regulations and Act as applicable from time to time.”

“**Material Subsidiary**” means a subsidiary, whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“**Subsidiary Company**” means Subsidiary Company as defined under Section 2(87) of the Act and the rules made there under.

“**Significant Transactions or Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten percent) of total revenues or total expense or total assets or total liabilities, as the case maybe, of the unlisted subsidiary for the immediately preceding accounting year.

Any other term not defined herein shall have the same meaning as defined in the Act, SEBI Listing Regulations or any other applicable laws or rules or regulation to the extent applicable to the Company.

4. CRITERIA FOR DETERMINING THE MATERIAL SUBSIDIARIES:

A Subsidiary of the Company shall be regarded as Material Subsidiary if it falls under the definition provided above.

The Audit Committee shall on annual basis review such details / information as may be required to determine the ‘Material Subsidiaries’.

5. GUIDING PRINCIPLES:

Material Subsidiary of the Company would be identified, if any, as a one-time exercise annually and such exercise shall be done during each financial year and the conclusion placed before the Audit Committee and the Board of the Company. The identification should happen soon after preparation of annual accounts and the outcome should be placed before the Audit Committee or Board, as the case may be, in the meeting where the annual audited accounts of the Company are considered.

6. CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARIES:

- (i) At least one independent director on the Board of the Company shall be a director on the board of directors of an unlisted Material Subsidiary, whether incorporated in India or not. For this requirement, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% (twenty percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- (ii) The Audit Committee of the Company shall also review the financial statements, in particular the investments made by the unlisted Subsidiary;
- (iii) The minutes of the board meetings of unlisted Subsidiary shall be placed at the board meeting of the Company;
- (iv) The management of the unlisted Subsidiary shall periodically bring to the attention of the board of directors of the Company, a statement of all Significant Transactions and Arrangement(s) entered into by the unlisted Subsidiary;
- (v) The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (fifty percent), or cease the exercise of control over such Material Subsidiary, without passing a special resolution in its General Meeting, except in cases where such disinvestment is made under a scheme of arrangement duly approved by the Court/ Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- (vi) The Company shall not sell, dispose or lease assets amounting to more than 20% (twenty percent) of the assets of the Material Subsidiary on an aggregate basis during the financial year without prior approval of the shareholders by way of passing special resolution in its General Meeting, unless the sale/disposal/ lease is made under a scheme of arrangement duly approved by Court/ Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- (vii) Where the Company has a listed Subsidiary, which is itself a holding company, the Policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
- (viii) The Material unlisted Subsidiaries incorporated in India shall undertake secretarial audit; and the Company shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.
- (ix) The Company shall disclose all events or information with respect to its Subsidiaries which are material for the Company, in accordance with Regulation 30(9) of the SEBI Listing Regulations.

7. INTERPRETATIONS:

Any words used in this Policy but not defined herein shall have the same meaning attributed to it under the Companies Act, 2013 or Rules made there under, SEBI Act or rules and regulations made thereunder.

8. DISCLOSURE:

This Policy shall be placed on the Company's website and a web link thereto shall be provided in the annual report of the Company.

9. REVIEW AND AMENDMENTS:

The Policy has been approved by the Board of Directors of the Company. The Board and/or Audit Committee may, as and when it deems appropriate, review this Policy. This Policy is being formulated keeping in mind the Applicable laws, rules, regulations and standards in India. If there is an amendment in such laws, rules, regulations and standards, then this Policy shall be deemed to have been amended to the extent of such amendment. Conversely, if due to subsequent amendment in the statutory provisions, this Policy or any part hereof becomes inconsistent, such amended statutory provisions shall prevail and this Policy shall be deemed to be amended to that extent.
