

ASHOKA BUILDCON LIMITED
Policy on Material Subsidiaries
(Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”))

Introduction

In pursuance of the Regulations 16(1)(c) and 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter “LODR 2015”), the Company has formulated this policy for determining material subsidiary of the Company.

Purpose

The purpose of this Policy is to determine material subsidiary/(ies) of the Company. All the Words and expressions used in this Policy, unless defined herein, shall have meaning respectively assigned to them under the LODR 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

DEFINITIONS

“**Audit Committee**” Audit Committee means the committee formed under Section 177 of the Companies Act by the Board of the Company, from time to time.

“**Companies Act**” means the Companies Act, 2013 read with the rules thereunder, as amended.

“**Independent Director**” means an independent director referred to in Section 149(5) of the Companies Act, 2013.

“**Material Subsidiary**” means a Subsidiary which shall be considered as Material Subsidiary if it fulfils the conditions for being classified as Material Subsidiary as mentioned in this Policy.

“**Material Non Listed Indian Subsidiary**” shall mean a subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

“**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 financial year.

“**Subsidiary**” means a subsidiary as defined under the Companies Act and rules made thereunder.

Policy

1. A subsidiary shall be considered as '**MATERIAL SUBSIDIARY**' if –
 - net-worth of the subsidiary exceeds 10% of the consolidated net-worth of the Company in the immediately preceding accounting year

OR

- turnover of the subsidiary exceeds 10% of the consolidated turnover of the Company in the immediately preceding accounting year.

A list of such material subsidiaries and material Non Listed Indian Subsidiaries if any, shall be presented to the Audit Committee annually for its noting.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY

2. One Independent Director of the Company shall be a Director on the Board of the material unlisted Indian subsidiary company. For the purpose of the appointment of one Independent Director in unlisted material subsidiary, the term "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds twenty per cent (20%) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
3. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company and the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
4. The minutes of the unlisted subsidiary companies shall be 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 into by the unlisted subsidiary company.
6. 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 50% or cease to exercise control over the subsidiary without passing a special resolution in its General Meeting.

7. The Company shall not 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 / sale/ disposal/ lease is made under a scheme of arrangement duly approved by a 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 Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.**

Amendments / Modifications

The Policy shall also be displayed on the website of the Company.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the LODR 2015 or any other applicable law which makes any of the provisions in this Policy inconsistent with the Companies Act, 2013 or the LODR 2015 or such applicable law, the provisions of the Companies Act, 2013 or the LODR 2015 or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such changes. The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

This Policy has been revised and approved by Board of Directors at its meeting held on March 20, 2025 with immediate effect.