



**ROSSELL TECHSYS LIMITED**

**POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

(Effective from September 25, 2024)

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## 1. PREFACE:

The Board of Directors (the “Board”) of Rossell Techsys Limited (the “Company”) has adopted this policy to determine Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

The Policy for determining ‘material’ subsidiary companies has been framed in accordance with the provisions of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations” or “Listing Regulations”) and other applicable provisions (including any statutory enactments / amendments thereof).

## 2. DEFINITIONS:

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

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under section 177 of the Companies Act, 2013, rules made thereunder and the Listing Regulations and amendments thereto (“Relevant laws”)

“**Board of Directors**” or “**Board**” means the Board of Directors of Rossell Techsys Limited, as constituted from time to time as per the relevant laws and rules and regulations.

“**Independent Director**” shall have the same meaning as attributed to it under section 149(6) of the Companies Act, 2013 and the Listing Regulations.

“**Significant Transaction or arrangements**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent (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.

“**Subsidiary**” shall be as defined as under Section 2(87) of the Companies Act, 2013 and the Rules made thereunder, and amendments made thereto.

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

- “**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds ten (10) percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year, unless specified otherwise.
- **Material Non-Listed Subsidiary** shall mean a Subsidiary which is not listed on the Indian Stock Exchanges and 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.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or any other applicable laws or rules or regulation and amendments thereto, to the extent applicable to the Company.

### 3. GOVERNANCE FRAMEWORK:

Following are the corporate governance requirements with respect to Subsidiary of the listed entity:

- a) At least One (1) Independent Director of the Company shall be a director on the Board of Directors of an **unlisted material Subsidiary**, whether incorporated in India or not.
- b) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary company.
- c) The Board of the Company is consulted in respect of the appointments, remuneration and severance of CEO & senior managerial personnel and reviews the business plans and contracts by the unlisted Subsidiary.
- d) The minutes of the Board meetings of the unlisted Subsidiary companies shall be placed at the Board meeting of the company.
- e) A statement of all significant transactions and arrangements entered into by the unlisted Subsidiary for the immediately preceding accounting year, shall be brought to the notice of the Board of the Company.
- f) Material unlisted subsidiaries of the Company incorporated in India shall undertake secretarial audit and annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified statutorily.
- g) The Company, **shall not**:
  - Dispose its shares in Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty (50%) percent; or ceases the exercise of control over the Subsidiary, without passing a special resolution in its General meeting, except in cases where divestment is 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 [**Restrictions on Disposal of Shares of a Material Subsidiary**] or
  - Sell, dispose and lease assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale/dispose/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 [**Restriction on Transfer of Assets of a Material Subsidiary**].

### 4. DISCLOSURES:

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

**5. AMENDMENTS / LIMITATION:**

Any subsequent amendment/modification in the Act or the Rules framed thereunder or the SEBI Listing Regulation and/or any other laws in this regard the statutes would prevail over the Policy and shall automatically apply to this Policy. This policy shall be subject to review and changes as may be deemed necessary by the Board of Directors and to comply with any regulatory requirements.

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**Note: This policy has been approved by the Board of Directors of the Company at its meeting held on September 25, 2024 and shall be effective from September 25, 2024.**

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