



**THE SANDUR MANGANESE & IRON ORES LIMITED**

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

<b>Version No.</b>	<b>Approving Authority</b>	<b>Approval Date</b>
1	Board of Directors	1 December 2015
2	Board of Directors	18 May 2022
3	Board of Directors	14 February 2025

## **1. PREAMBLE**

This Policy has been framed and adopted by the Board of Directors of the Company in pursuance of Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Regulation requires the Board of Directors of listed entities to adopt a Policy for determining Material Subsidiary. The objective of the Policy is to determine material subsidiary(ies) of the Company. The Policy also provides for a governance framework for the Company and its unlisted subsidiary(ies) including but not limited to material subsidiary(ies).

## **2. IDENTIFICATION OF ‘MATERIAL’ SUBSIDIARY**

A subsidiary shall be considered ‘Material’, if the subsidiary’s turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

## **3. GOVERNANCE FRAMEWORK**

- a) The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by its unlisted subsidiary(ies).
- b) The minutes of the meetings of the Board of Directors of the unlisted subsidiary(ies) shall be placed at the meeting of the Board of Directors of the Company.
- c) The management of the unlisted subsidiary(ies) shall periodically place before the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by its unlisted subsidiary(ies).

Explanation - The term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.

- d) 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, incorporated in India or not.  
For the purpose of this clause, term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- e) The Company and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form, as specified, with the annual report of the Company.

## **4. DISPOSAL OF SUBSIDIARY**

- a) The Company shall not dispose of 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 fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment 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.

- b) The Company shall not sell, dispose and lease out assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year, unless prior approval of shareholders by way of special resolution has been sought and 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. This shall not be applicable, if such sale, disposal or lease of assets is between two wholly owned subsidiaries of the Company.

## **5. AMENDMENTS**

The Board of Directors shall periodically review the Policy and may make suitable amendments from time to time. Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time as this Policy is changed to conform to the law, rule, regulation or standard.

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