



**CREDITACCESS GRAMEEN LIMITED**

**POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

### Revision History

Version	Author	Description of Changes	Release Date
1.0	Chief Compliance Officer	First version	May 6, 2021
1.0	Chief Compliance Officer	Re-adoption	April 1, 2024
2.0	Chief Compliance Officer	To align with SEBI LODR Third Amendment Regulation dated December 12, 2024	January 24, 2025
3.0	Deepti Ramani, Company Secretary & Compliance Officer	Aligned with extant regulatory requirements under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	April 16, 2026

### Version Control

Version	Author	Reviewed by	Approved by
1.0	Chief Compliance Officer	MD & CEO	Board of Directors
1.0	Chief Compliance Officer	Managing Director	Board of Directors
2.0	Chief Compliance Officer	Managing Director	Board of Directors
3.0	Deepti Ramani, Company Secretary & Compliance Officer	Ganesh Narayanan, Managing Director & CEO	Board of Directors

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## POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

### 1. Background:

As per Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Listed entities shall formulate a policy for determining 'material' subsidiary.

### 2. Definition

- a. **'Subsidiary'** shall mean a subsidiary company as defined under section 2(87) of the Companies Act, 2013 ("Act") as amended from time to time
- b. **'Material subsidiary'** shall mean a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.
- c. **'Significant transactions or arrangements'** 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 material unlisted subsidiary for the immediately preceding accounting year.

### 3. Governance Framework:

#### 3.1. Subsidiary

1. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
2. Minutes of the Board meetings of all Subsidiary Companies shall be placed before the Board of Directors of the Company on quarterly basis;
3. A statement of all significant transactions and arrangements entered into by the Subsidiary Companies shall be brought to the attention of the Board of Directors of the Company on an annual basis;

#### 3.2. Material Subsidiary

1. At least one Independent Director on the Board of the Company shall be appointed as a Director on the Board of unlisted Material Subsidiary, whether incorporated in India or not. (Material Subsidiary herein shall mean a Subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year).
2. The Company shall not without the prior approval of the Shareholders by way of Special resolution:
  - i. Dispose off shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a

- Court/Tribunal.
- ii. Sell, dispose or lease of assets amounting to more than 20% of the assets of the material subsidiary unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal. However, sale, disposal or lease of assets is allowed between two wholly-owned subsidiaries of the Company.

**4. Overriding Clause:**

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.

**5. Disclosure:**

This Policy shall be placed on the company's website.

**6. Review:**

This Policy is subject to review from time to time.