

SOFTVAN LIMITED

Policy for Determining Material Subsidiaries

1. TITLE

This Policy shall be called “Softvan Limited - Policy for Determining Material Subsidiaries” (“Policy”).

2. INTRODUCTION & EFFECTIVE DATE OF THE POLICY

Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), makes it mandatory to the listed entities to formulate a Policy for determining Material Subsidiaries effective from date of listing on stock exchange. It is in this context that the Policy for determining Material Subsidiaries (“Policy”) is being framed and implemented by the Company. With the formation of this Policy, earlier Policy for determining Material Subsidiaries shall stand cancelled.

The Board of Directors (the “Board”) of the Company has adopted the following policy with regard to the determination of its Material Subsidiaries in Compliance with Listing Regulations and Board will review and may amend this policy from time to time. Any subsequent modification and/or amendments brought about by SEBI in the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 or any other provisions referred in this Code shall automatically apply to this Code unless it requires major revision.

The Board has reviewed and approved policy on 30th March, 2025 and it will be Effective from the date of listing on stock exchange)

Purpose

The objective of this policy is to determine material subsidiaries of the Company and to provide governance framework for such subsidiaries.

The Policy also intends to ensure governance of Material Subsidiary of the Company, by complying inter-alia with, directorship requirements, review of financial statements, bringing certain transactions/arrangements to the attention of the Board, rules regarding disinvestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiary by the Company.

3. DEFINITIONS

“Act” means the Companies Act, 2013 and rules made thereunder including any statutory modifications, amendments, clarifications or re-enactments thereof.

“Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof.

“Board of Directors” or “Board” means the Board of Directors of the Softvan Limited, as constituted from time to time.

“Company” means Softvan Limited.

“Consolidated Income or Net worth” means the total income or net worth of the Company and its subsidiaries.

“Control” shall have the same meaning as assigned to the term in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Holding Company” means Holding Company as defined under Section 2(46) of the Act.

“Independent Director” means a director of the Company as referred in Section 149(6) of the Act read with regulation 16(1)(b) of the Listing Regulations including any amendments, modifications, clarifications or re-enactments made thereof from time to time.

“Material Subsidiary” means 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.

The Company shall, on formation of a Subsidiary, at the end of every year, determine whether the Subsidiary falls under the criteria for Material Subsidiary as defined above. In case the Subsidiary falls under such criteria, the same is to be reported to the Board for its noting at the first instance.

“Net Worth” means net worth as defined in Section 2(57) of the Companies Act, 2013 read with Regulation 2(1)(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

“Policy” means this Policy determining Material Subsidiaries and as may be amended from time to time.

“Significant Transaction or Arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the

- a. total revenues; or
 - b. total expenses; or
 - c. total assets; or
 - d. total liabilities; as the case may be,
- of the Unlisted Subsidiary for the immediately preceding accounting year.

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

“Unlisted Material Subsidiary” means an unlisted subsidiary, incorporated in India or not, whose equity shares are not listed on any recognized stock exchanges and whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

“Unlisted Subsidiary” means a Subsidiary whose equity shares are not listed on any recognized Stock Exchange.

All other words and expressions used but not defined in this Policy, but defined in the Listing Regulations, SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re - enactment thereto, as the case may be.

4. COMPLIANCES

1. At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of unlisted material subsidiary company, whether incorporated in India or not;

For the purpose of above sub clause (1) of clause 4, “Material Subsidiary” means a subsidiary, whose income or net worth exceeds 20% (Twenty percent) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

2. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
3. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed at the meeting of the Board of Directors of the Company.
4. The Company shall comply with such other requirement in relation to unlisted material subsidiary as may be mandated under the Act and/ or Listing Regulations, from time to time.
5. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

For the purpose of this regulation, 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.

6. Where a listed entity has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
7. The policy shall be disclosed on the website of the Company Softvan.in and a web link thereto shall be provided in the Annual Report of the Company.

5. RESTRICTION ON DISPOSAL OF MATERIAL SUBSIDIARY / ASSETS OF MATERIAL SUBSIDIARY

The Company shall not dispose of shares in its material subsidiary which would reduce the Company's 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 the subsidiary without passing a special resolution in the 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 .

The Company shall not sell, dispose and lease assets amounting to more than 20% (twenty percent) of the assets of the material subsidiary on an aggregate basis during a financial year unless it obtains the prior approval of shareholders by way of special resolution, except 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.

6. REVIEW OF SIGNIFICANT TRANSACTIONS AND ARRANGEMENTS ENTERED INTO BY UNLISTED SUBSIDIARY COMPANY

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 arrangements entered into by the unlisted subsidiary company.

7. SECRETARIAL AUDIT

Every Unlisted Material Subsidiary of the Company incorporated in India shall undertake secretarial audit and the Holding Company shall annex the secretarial audit report of such Unlisted Material Subsidiary Company with its annual report, given by a Company Secretary in practice.

8. WEBSITE

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such

disclosures shall be made available on the website of the Company for a period of eight years and thereafter as per the Documentation Retention and Archival Policy of the Company.

9. DISCLOSURES

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Board's report.

10. AMENDMENTS

The Board shall have the power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace this policy entirely with a new Policy.

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