

POLICY ON MATERIAL SUBSIDIARIES

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

(As Revised on 30/01/2025)

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

CIN-L67120MH1995PLC084899

POLICY ON MATERIAL SUBSIDIARIES

➤ **Introduction**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") lays out regulatory requirements for material subsidiary companies

In compliance with SEBI Listing Regulations, the Board of Directors (the "Board") of Emkay Global Financial Services Limited (the "Company") in the Board meeting held on 31st October 2014 had adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

The Policy is hereby amended in line with the changes made to the Listing Regulations by SEBI (LODR) (Third Amendment) Regulations, 2024

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("Act") and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

- **This Policy applicable to the Company effective 1st October, 2014 is amended hereby with effect from 30th January, 2025. This Policy is in terms of Regulation 16 1 (c) of the Listing Regulations.**

➤ **POLICY OBJECTIVE**

To determine the Material Subsidiaries of Emkay Global Financial Services Limited and to provide the governance framework for such subsidiaries.

➤ **DEFINITIONS**

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, in accordance with section 177 of the Act and Regulation 18 of the Listing Regulations.

"Board of Director" or "Board" means the Board of Directors of Emkay Global Financial Services Limited, as constituted from time to time.

"Independent Director" means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act, and the listing Regulation.

"Policy" means Policy on Material Subsidiaries.

"Material Non Listed Indian Subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 10% of the consolidated

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income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year

“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 material unlisted subsidiary for the immediately preceding accounting year.

“Subsidiary” shall be as defined under the Act, and the Rules made thereunder.

DETERMINATION OF MATERIAL SUBSIDIARY:

A Subsidiary of the Company shall be considered as a ‘Material Subsidiary’, if the turnover or networth of the Subsidiary exceeds 10 % of consolidated turnover or networth respectively of the Company and its subsidiaries as per the audited financial statements of 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

POLICY & PROCEDURE

1. At least One **Independent Director** of the Company shall be a director on the Board of the unlisted Material Subsidiary Company whether incorporated in India or not. Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the 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 listed entity and its subsidiaries in the immediately preceding accounting year
2. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on quarterly basis.
3. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on quarterly basis.
4. The management shall on a quarterly basis 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.

➤ Restriction on Disposal of Material Subsidiary-

- ✓ 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 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]

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- ✓ Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless 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

➤ **Disclosures**

The Policy for determining material subsidiaries shall be uploaded on the website of the Company and a Web link thereto shall be provided in the Annual report.

➤ **Limitation and Amendment**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.