



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Authorized by:	Board of Directors
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Usha Martin



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

A) INTRODUCTION

Usha Martin Limited (hereinafter referred to as “UML” or “Company”) has formulated this policy for determination and governance of material subsidiaries in accordance with provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (SEBI LODR Regulations).

This policy is a revised version of the “Policy for determination for material subsidiaries” adopted by the Company from time to time and is effective from January 29, 2025.

B) DEFINITIONS

- i. Audit Committee: The Committee formulated by the Company under Section 177 of the Companies Act, 2013 (Act) and Regulation 18 of SEBI LODR Regulations.
- ii. Board: Board means the Board of Directors of the Company.
- iii. Control: Control shall be as defined under the Act and the rules made thereunder.
- iv. Insolvency Code: The Insolvency and Bankruptcy Code, 2016.
- v. Material Subsidiary: A subsidiary whose 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.
- vi. Net Worth: The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- vii. Subsidiary: Subsidiary means a subsidiary as defined under section 2 (87) of the Act.
- viii. Significant Transaction or Arrangement: 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.
- ix. Turnover : The gross amount of revenue recognized in the profit and loss account from the sale, supply or distribution of goods or on account of services rendered, or both, by a Company during a financial year.
- x. Unlisted Subsidiary: shall mean a Subsidiary whose securities are not listed on any of the recognized stock exchanges of India.

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Any words used in this Policy but not defined herein shall have the same meaning ascribed to it under the SEBI LODR Regulations or the Act and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

C) POLICY

- i. The management shall annually present to the Audit Committee a list of all subsidiaries including Material Subsidiary(s), if any, at the first meeting held after the commencement of every financial year where financial statements of the previous financial year shall be approved.
- ii. The Audit Committee shall make suitable recommendations to the Board for the appointment of at least one Independent Director of the Company on the Board of the Material Subsidiary(s), whether incorporated in India or not.

[Explanation: For the purpose of this clause, 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 Company and its subsidiaries in the immediately preceding accounting year]

- iii. The minutes of the Board Meeting of unlisted subsidiaries shall be placed at the Board Meeting of the Company on a periodical basis.
- iv. The Audit Committee of the Company shall review the financial statement and in particular the investments made by unlisted subsidiary companies.
- v. A statement of all Significant Transaction and Arrangement entered into by unlisted subsidiary companies should be placed before the Board of the Company for review.
- vi. The Audit Committee shall review the utilization of loans and/ or advances from/ investment by the Company in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the concerned subsidiary, whichever is lower, including existing loans/advances/investments existing as on date.
- vii. Any transaction between the Company and its subsidiary(ies) shall be entered into in accordance with the policy on dealing with related party transactions of the Company.
- viii. The Company and its Material Subsidiary(s) incorporated in India shall undertake secretarial audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex with its annual report, the said secretarial audit report, in such form as may be specified by the Securities Exchange Board of India from time to time.
- ix. The Company, without the prior approval of the members by Special Resolution, shall not:
 - a. dispose of shares in its material subsidiary(s) that reduces its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or ceases the exercise of control over the Subsidiary; or

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Provided, that aforementioned approval of members by Special Resolution shall not be required if such disposal of shares, cessation of control, sale or disposal or lease of assets is made under a scheme of arrangement duly approved by a Court or Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the stock exchange(s) within one day of the resolution plan being approved.

- b. sell, dispose of or lease the assets amounting to more than twenty percent of the assets of the material subsidiary(s) on an aggregate basis during a financial year.

Provided, that aforementioned approval of members by Special Resolution shall not be required if such disposal of shares, cessation of control, sale or disposal or lease of assets is made under a scheme of arrangement duly approved by a Court or Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the stock exchange(s) within one day of the resolution plan being approved.

Further provided that nothing contained in this clause shall be applicable to if such sale, disposal or lease of assets is between two wholly owned subsidiaries of the Company.

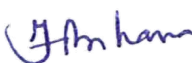
- x. The Company shall place, on its website, the separate audited financial statements of each of its Subsidiary.
- xi. The Company shall disclose all events or information with respect to its Subsidiaries, which are material for the Company as defined/ determined in accordance with Regulation 30 of SEBI LODR Regulations.

D) GOVERNANCE MECHANISM

This Policy for Material Subsidiaries shall be implemented and supervised by the Audit Committee of the Board of Directors. They shall be responsible for ensuring compliance and shall have the authority to seek any information or clarifications from the management as required.

E) AMENDMENT

- i. This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Act or SEBI LODR Regulations or may be otherwise prescribed by the Board from time to time. However, this Policy shall be reviewed by the Board of Directors at least once in every three years.
- ii. In case of any conflict between the clause(s) of this Policy, Act or SEBI LODR Regulations, the provisions of Act or SEBI LODR Regulations or any other statutory enactment shall prevail over this policy. Any subsequent amendment/ modification in Act or SEBI LODR Regulations, in this regard will automatically apply to this policy.

Signature: 
Designation : Wholetime Director
Date : 29th January 2025

