

## **IL&FS TRANSPORTATION NETWORKS LIMITED**

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

Version No. : 2

Effective date : February 21 , 2024

**IL&FS TRANSPORTATION NETWORKS LIMITED****Policy For determining Material Subsidiaries****1. Preamble:**

The purpose of this Policy on Material Subsidiaries is determination of Material Subsidiaries and disclosure thereof, as required under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**Listing Regulations**”).

**2. Definitions**

- a. “Act” shall mean the Companies Act, 2013 read together with rules made thereunder, as may be amended from time to time;
- b. “BSE” shall mean BSE Limited;
- c. “Company” shall mean IL&FS Transportation Networks Limited;
- d. “SEBI Regulations” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory or modification or re-enactment thereof;
- e. “NSE” shall mean the National Stock Exchange of India Limited;
- f. “SEBI” shall mean the Securities and Exchange Board of India;
- g. “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;
- h. “Stock Exchanges” shall mean BSE Limited and National Stock Exchange of India Ltd. together;
- i. “Subsidiaries” shall mean the companies, existing in India or outside India, unless otherwise stated, in which the Company holds more than one-half of the total share capital directly or indirectly or exercises control in the composition of the Board of Directors;
- j. All other words or expressions used but not defined in the Policy, but defined in the Companies Act, 2013 read with rules made there under, the Listing Regulations, shall have the same meaning as respectively assigned to them in such Acts, or rules or regulations, including any statutory amendments or re-enactments made thereto.

**3. Objective of the Policy**

The Objective of the Policy is to determine:

- (i) Meaning of “Material Subsidiary”
- (ii) Requirement of appointment of Independent Director on the Board of Material Unlisted Subsidiaries
- (iii) Restriction of disposal of Shares of a Material Subsidiary held by the Company
- (iv) Restriction on transfer of Assets of a Material Subsidiary
- (v) Listing of Subsidiary Company and
- (vi) Disclosure thereof pursuant to the Listing Regulations and any other laws and regulations as may be applicable thereof

**4. Material Subsidiary:**

Material Subsidiary means a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth of the Company and its subsidiaries in the immediately preceding accounting year.

**5. Independent Director on the Board of Material Unlisted Indian Subsidiary**

Pursuant to Regulation 24 of the Listing Regulations, at least one Independent Director of the Company shall be a director on the board of the Unlisted Material Subsidiary whether incorporated in India or not, whose income or net worth exceeds twenty percent of the consolidated income or net worth, of the listed entity and its subsidiaries in the immediately preceding accounting year.

**6. Significant Transactions / Arrangements of a Material Unlisted Subsidiary**

- (i) The Management of the Company should bring to the attention of the Board, a Statement of all significant Transactions and Arrangements entered into by any Unlisted Material Subsidiary.
- (ii) The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary.

**7. Placing of Minutes of the Unlisted Subsidiary**

The minutes of the Board meetings of the Unlisted subsidiary company shall be placed at the Board meeting of the Company.

**8. Disposal of Shares of Material Subsidiary**

As per Regulation 24(5) of SEBI Regulations, 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 or in terms of plan/framework approved by National Company Law Appellate Tribunal.

**9. Restriction on transfer of assets of Material Subsidiary**

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 or in terms of plan/framework approved by National Company Law Appellate Tribunal.

**10. Listing of subsidiary Company**

In the event subsidiary of Company becomes a listed subsidiary which itself is a holding company, then this policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

**11. Disclosure:**

As prescribed under the Regulation 46 of SEBI Regulations, this Policy shall be disclosed on the Company's website and a web link thereto will be provided in the Annual Report of the Company.

**12. Review**

The Policy is subject to review as may be deemed necessary and in accordance with any regulatory amendments.

**13. Amendment:**

The Board reserves the right to amend or modify this Policy in whole or in part, at any time. However, no such amendment or modification shall be inconsistent with these Regulations or any law for the time being in force.

In the event of any conflict between the provisions of this Policy and of these Regulations or any other statutory enactments, rules, the provisions of these Regulations or statutory enactments, rules shall prevail over this Policy.

Any subsequent amendment / modification in these Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

The original Policy which was effective February 13, 2015 stands amended from the date of adoption this Policy by the Board i.e. February 21, 2024.