

NIRMA LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Approved by:

- (i) Board Meeting dated – 13th February, 2025



TITLE

This Policy shall be called ‘Policy for determining material subsidiaries’ “the Policy”.

INTRODUCTION

As per SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (“Listing Regulations”), the Company, being High Value Debt Listed Company is required to comply with the regulation 16 of Listing Regulations as may be amended, from time to time..

The Board of Directors of the Company has adopted this Policy with regard to determination of Material Subsidiary and to ensure governance framework as required under the Listing Regulations, which shall become effective from 1st April, 2025.

In the event of any conflict between the provisions of the Policy and the Listing Regulations or the Companies Act, 2013 (“the Act”), as amended or any other statutory enactments or rules, the provisions of the Listing Regulations or the Act or any statutory enactments or rules, shall prevail over the Policy.

IDENTIFICATION OF ‘MATERIAL SUBSIDIARY’

“**Material Subsidiary**” shall mean a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of Nirma Limited (“the Company”) and its subsidiaries in the immediately preceding accounting year.

“**Significant transaction or arrangement**” means 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 unlisted subsidiary for the immediately preceding accounting year.

Any other terms not defined herein shall have the same meaning assigned to them respectively, under the Companies Act, 2013 (“the Act”), the Listing Regulations read with the rules, notifications as made/issued thereunder, as amended, from time to time or other applicable laws, if any to the Company.



CORPORATE GOVERNANCE REQUIREMENTS

- At least one independent director on the board of directors (“the Board”) of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

For the purpose of above para, ‘Unlisted Material Subsidiary’ means an unlisted subsidiary, incorporated in India or not, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meetings of board of directors of the Company.
- The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the Company, a statement of all ‘Significant transactions and arrangements’ entered into by the unlisted subsidiary.
- The Company shall not dispose of shares in its Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 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.

"control" for this clause shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- Selling, disposing and leasing of assets amounting to more than 20% 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.

Nothing contained in above para shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company. (as per LODR amendment)

DISCLOSURE AND AMENDMENT:

The policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

This Policy may be amended by the Board as and when required. However, any amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy for which no approval of Board would be required.

