

<b>Tolins Tyres Limited</b>	<b>Version No.</b>	01
<b>CIN:</b> U25119KL2003PLC016289	<b>Prepared by</b>	Secretarial Department
<b>Registered Office:</b> No. 1/47, M C Road, Kalady, Ernakulam, Aluva, Kerala, India, 683574.	<b>Effective date</b>	January 29, 2024
	<b>Last Amendment on</b>	-

## Policy for determining Material Subsidiaries

### 1. Purpose and Scope

The Policy for determining 'Material' subsidiary companies has been framed in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015).

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI (LODR) Regulation, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time or any other applicable law, rules or regulations.

### 2. Material Subsidiary

A subsidiary shall be considered as Material Subsidiary if income or net worth of the subsidiary exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

### 3. Governance Framework

- I. The Audit Committee of the Company shall review the financial statements, in particular the investments made by its Unlisted Subsidiary Company.
- II. The minutes of the Board meetings of the Unlisted Subsidiary Company shall be placed before the Board of the Company.
- III. 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 & arrangements entered into by its Unlisted Subsidiary Company.

### 4. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution, shall not:

- a) Dispose shares in the Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or

- b) Ceases the exercise of control over the Material Subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal; or
- c) Sell, dispose of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during an accounting year;

Provided that prior approval of shareholders will not be required if such divestment, sale, disposal or lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

## 5. Disclosures

The material subsidiary policy shall be disclosed on the Company's website & a web link thereto shall be provided in the Annual Report of the Company.

## 6. Amendment and Updatons

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

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