

**HEALTHIUM MEDTECH LIMITED**  
**CIN No. U03311KA1992PLC013831**

Regd. Office Address: 472/D, 4<sup>th</sup> Phase, 13<sup>th</sup> Cross Peenya Industrial Area  
Bangalore -560058

**POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARY**

**1. Introduction:**

The Securities and Exchange Board of India (“SEBI”), vide its Notification dated September 2, 2015, has issued the SEBI (**Listing Obligations and Disclosure Requirements**) Regulations, 2015, as amended (“LODR”). The Regulations come into force from December 1, 2015. As per the Regulation 16 (C) read with Regulation 24 of the LODR (as amended from time to time), the Board of Directors (“Board”) of Healthium Medtech Limited (“Company”) is required to frame a policy for determining ‘**Material Subsidiaries**’ under various applicable listing regulations.

**2. Definition:**

2.1 ‘**Audit Committee**’ means the Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof.

2.2 “**Policy**” means this Policy for determining Material Subsidiaries.

2.3 ‘**Board of Directors**’ or ‘**Board**’ means the Board of Directors of Healthium Medtech Limited, as constituted from time to time.

2.4 “**Control**” shall have the same meaning as assigned to it under SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 (as amended).

2.5 “**Independent Director**” means an Independent Director referred to in Section 149(6) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.

2.6 ‘**Subsidiary Company**’ or ‘**Subsidiary**’ in relation to any other Company (that is to say the holding Company), as defined under Section 2(87) of the Companies Act, 2013, means a Company in which the holding Company –

- i. Controls the Composition of the Board of Directors; or
- ii. Exercises or Controls more than one-half of the total voting power either at its own or together with one or more of its Subsidiary Companies.

2.7 ‘**Material Subsidiary**’ as defined under regulation 16(1)(c) of LODR Regulations, 2015 shall mean a Subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its Subsidiaries in the immediately preceding accounting year.

2.8 ‘**Significant Transaction or Arrangement**’ as defined under Regulation 24(4) of SEBI (LODR) Regulations, 2015 shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted Subsidiary for the immediately preceding accounting year.

**3. Applicability and Framework:**

- 3.1 A '**Subsidiary**' shall be considered '**Material Subsidiary**' if its income or net worth exceeds 10% of the consolidated income or net worth respectively of the Company and its Subsidiaries in the immediately preceding accounting year.
- 3.2 At least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted Material Subsidiary, incorporated in India or not. Only for the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16 (1) (c), the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- 3.3 The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- 3.4 The Minutes of the Meetings of the Board of Directors of the unlisted subsidiary shall be placed at the Meeting of the Board of Directors of the Company.
- 3.5 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.
- 3.6 The Company shall not without the prior approval of the Shareholders by way of Special resolution:
- a) Dispose off shares in its Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal / Company Law Board or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved..
  - b) Sell, dispose or lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal/ Company Law Board or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

#### **4. Disclosure:**

As defined under Regulation 46(2) (h) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall disseminate the policy for determining 'Material Subsidiary' on its website.

#### **5. Amendments:**

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the policy entirely with a new policy as it may deem necessary. The Board may also establish further rules and procedures, from time to time, to give effect to this policy and to ensure governance of Material Subsidiary Companies.

#### **6. Scope and Limitations:**

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