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Policy for Determining Material Subsidiaries

Revision History

Original date of approval	Amendment	Approver
3 February 2016	-	Board of Directors
	31 July 2025	Board of Directors
	29 July 2026	Board of Directors



Policy for Determining “Material” Subsidiaries

The Explanation to Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”) requires every listed entity to formulate a policy for determining “material subsidiary”.

The Board of Directors of Accelya Solutions India Limited (the “Company”) has formulated a policy for determining “material subsidiary” to comply with the requirements of Regulation 16(c) of the Regulations.

1. “Holding Company”

Holding company in relation to one or more other companies, means a company of which such companies are subsidiaries companies.

2. “Subsidiary Company”

Subsidiary company or subsidiary in relation to any other company (that is to say the holding company), 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;

* The term "control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

Explanation- For the purpose of this definition,-

- a. A company shall be deemed to be a subsidiary company of the holding company even if the control referred to in clause (i) or (ii) above is of another subsidiary company of the holding company;
- b. The composition of a company’s Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- c. The expression “company” includes any body corporate;



3. “Material Subsidiary”

A subsidiary shall be considered as material, if its turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

4. “Significant transaction or arrangement”

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 unlisted subsidiary for the immediately preceding accounting year.

5. Appointment of Independent Director

In accordance with the requirements of Regulation 24(1) of the Regulations, 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, whether incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16, 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 listed entity and its subsidiaries in the immediately preceding accounting year.

6. Disposal of Shares

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 fifty percent 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.



7. Sale of Assets

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

8. Disclosures

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

9. Precedence

In the event of any conflict between any provision(s) of this Policy and of any statute or law or regulations, the provisions of such statute or law or regulations shall prevail over that specific provision(s) in this Policy.

Any subsequent amendment / modification in any statute or law or regulations shall mutatis mutandis apply to /prevail upon this Policy.

10. Amendment

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.
