ASTER DM QUALITY CARE LIMITED

Policy for determining Material Subsidiaries

Adoption / Amendment	Effective Date
Adoption	November 20, 2017
Amendment	June 22, 2021
Amendment	August 11, 2021
Amendment	July 30, 2025

Table of Contents

Sl. No.	Particulars	Page. No.
1	Preamble	3
2	Purpose	3
3	Definitions	3
4	Policy and Procedure	4
5	Disclosures	5
6	Review of Policy	5
7	Limitation and Amendment	5

1. Preamble

ASTER DM QUALITY CARE LIMITED ("**Company**") is governed, inter-alia, by the rules and regulations framed by Securities Exchange Board of India ("**SEBI**"). In terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Regulations**"), it is mandatory on the listed entities to formulate a policy for determining 'material' subsidiaries of the Company.

Accordingly, the Board of Directors (the "**Board**") of the Company has formulated and adopted the policy and procedures for determining 'material' subsidiaries of the Company **("Policy")**.

2. Purpose

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

3. Definitions

"**Audit Committee**" means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 ("Act") and SEBI Regulations.

"Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations,2011

"**Independent Director**" means an Independent Director of the Company appointed pursuant to the provision of Section 149 of the Act and SEBI Regulations.

"Material Subsidiary" shall mean a Subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

"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.

"**Subsidiary**" shall be as defined under the Act and the rules made thereunder.

"**Unlisted Subsidiary**" means Subsidiary whose securities are not listed on any recognized Stock Exchanges.

"Investment and Finance Committee" means the Committee constituted by the Board of Directors of the Company.

4. Policy and procedure

a. The Audit Committee shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary of the Company.

b. The minutes of the Board meetings of the Unlisted Subsidiary company shall be placed at the Board meeting of the Company at regular intervals.

c. The Board shall be provided periodically with a statement of all significant transactions and arrangements other than related party transactions entered into by the Unlisted Subsidiary.

d. 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 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.

e. The Company shall disclose all events or information with respect to its subsidiaries which are material for the Company as per Regulation 30(9) of the Regulations.

f. **Disposal of shareholding / contribution or control in Subsidiaries:** The Company shall seek prior approval of the Investment and Finance Committee for any proposal to dispose of shares in its Material Subsidiaries, provided such disposal does not reduce the Company's shareholding / contribution (either on its own or together with other subsidiaries) to or below 76% or 50% from the existing level of shareholding / contribution.

Where the proposed disposal would result in the Company's shareholding / contribution (either on its own or together with other subsidiaries) being reduced to or below 76% or 50%, the Company shall obtain approval from the Board of Directors, in addition to the Investment and Finance Committee.

Notwithstanding the above, the Company shall not dispose of shares in a Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to 50% or less, or result in the cessation of control over the subsidiary, without obtaining a special resolution of the shareholders in a general meeting. However, this requirement shall not apply where such divestment is carried out:

- under a scheme of arrangement duly approved by a Court/Tribunal; OR
- under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, provided that such an event is disclosed to the recognized stock exchanges within one working day of the resolution plan being approved.

g. **Disposal of shareholding / contribution or control in entities other than subsidiaries:** In cases where the proposed disposal would reduce the Company's shareholding / contribution in any other entity (not being a subsidiary) to 26% or less or result in the cessation of control over the entity, prior approval from both the Investment and Finance Committee and the Board of Directors shall be required.

h. **Disposal of assets in Subsidiaries:** Selling, disposing and leasing of assets amounting to 10% or more but not exceeding 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of investment and Finance Committee.

Provided further that Selling, disposing and leasing of assets amounting up to 10% of the assets of the Material Subsidiary on an aggregate basis during a financial year shall be decided by the Management of the respective Subsidiary with prior intimation to its Holding Company.

Notwithstanding anything mentioned above, 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. However, this requirement shall not apply where such disposal is carried out:

- under a scheme of arrangement duly approved by a Court/Tribunal; OR
- under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, provided that such an event is disclosed to the recognized stock exchanges within one working day of the resolution plan being approved.

Nothing contained in this clause shall be applicable if such sale, disposal or lease of assets is between two Wholly Owned Subsidiaries of the Company.

i. The material unlisted subsidiaries of the Company incorporated in India shall undertake Secretarial Audit and shall annex with its annual report, a Secretarial Audit Report, given by a Company Secretary in practice, in such form as may be specified.

5. Disclosures

The Company shall disclose in its Board's report the details of this Policy as required under the Act and the SEBI Regulations. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Board's report.

6. Review of policy

The Board of Directors will review the policy periodically and may amend the same from time to time, as they deem necessary.

7. Limitation and Amendment

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

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

****