



SCEPTRE MEDICAL (INDIA) LIMITED
(formerly known as Sceptre Medical (India) Private Limited)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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[Pursuant to Regulations 16(1)(c) and 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I. PREFACE

Sceptre Medical (India) Limited (formerly known as Sceptre Medical (India) Private Limited) (the “**Company**”) is required to formulate a policy for determining ‘material’ subsidiaries in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”). The Board of Directors (the “**Board**”) of the Company has adopted the following policy and procedures with regard to determination of Material Subsidiaries. The Board may review and amend this policy from time to time.

II. POLICY OBJECTIVE

To determine the Material Subsidiaries of the Company and to govern the framework for such subsidiaries.

III. 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 and Regulation 18 of the SEBI LODR Regulations.

“**Board**” means the Board of Directors as defined in Section 2(10) of the Companies Act, 2013.

“**Control**” 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.

“**Company**” means Sceptre Medical (India) Limited (formerly known as Sceptre Medical (India) Private Limited).

“**Income**” means the total revenue of the Company as per the latest audited financial statements.

“**Independent Director**” means a director of the Company, not being a whole-time director, and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the SEBI LODR Regulations.

“**Net Worth**” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

“**Policy**” means this Policy, as amended from time to time.

“**Subsidiary**” means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

IV. IDENTIFICATION OF MATERIAL SUBSIDIARY

A subsidiary shall be a Material Subsidiary if any of the following conditions is satisfied:

- (a) the income of the subsidiary exceeds ten percent (10%) of the consolidated Income of the Company and its subsidiaries in the immediately preceding accounting year; or
- (b) the net worth of the subsidiary exceeds ten percent (10%) of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.

V. REQUIREMENTS WITH RESPECT TO SUBSIDIARIES OF A LISTED COMPANY

- (a) At least one Independent Director of the Company shall be a director on the Board of Directors of an unlisted Material Subsidiary, whether incorporated in India or not.
- (b) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary(ies).
- (c) 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.
- (d) It shall be periodically brought 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(ies). The term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.
- (e) The Company shall not, without the prior approval of the members by special resolution in its General Meeting, dispose of shares in its Material Subsidiary which would reduce 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 Material Subsidiary, except 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- (f) The Company shall not, without the prior approval of the members by special resolution, sell, dispose of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the same 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Nothing contained in clauses (e) and (f) above shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

VI. REVIEW TO DETERMINE THE MATERIAL SUBSIDIARY

The Audit Committee shall review on an annual basis the criteria of materiality as per this Policy, applicable to the Company’s subsidiaries.

VII. DISCLOSURES

This Policy will be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.
