



Spaisa Capital Limited Policy for determining material subsidiaries

1. Introduction:

The Board of Directors Spaisa Capital Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

2. Purpose and Scope:

The Policy for determining 'material' subsidiary companies has been framed in accordance with the Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulation").

The Policy will be used to determine the Material Subsidiaries of Spaisa Capital Limited 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 Listing Agreement 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.

3. Definitions:

- i. **"Board of Directors"** or **"Board"** means the Board of Directors of IIFL Holdings Limited, as constituted from time to time.
- ii. **"Company"** means Spaisa Capital Limited.
- iii. **"Independent Director"** means a director of the Company, not being a non-executive director or a nominee director and who is / was not a promoter of the Company or its subsidiary company, nor belongs to the promoter group of the Company, is not related to promoters or directors in the Company or its subsidiary companies, and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges and such criteria as may be prescribed by the Central Government and / or the Securities and Exchange Board of India from time to time.
- iv. **"Policy"** means this Policy, as amended from time to time.
- v. **"Subsidiary"** shall mean a subsidiary as defined under the Act and Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Regulation, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.



4. Identification of 'Material' subsidiary:

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

5. Governance framework:

- i. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted material subsidiary Company.
- ii. The minutes of the Board Meetings of the unlisted material Subsidiary Companies shall be placed before the Board of the Company.
- iii. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted material subsidiary company.

The term "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.

- iv. One Independent Director of the Company shall be a director on the Board of the unlisted material Subsidiary Company, whether incorporated in India or not.
- v. The management shall present to the Audit Committee annually the list of such material subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.
- vi. The Company without the prior approval of the members by special resolution, shall not
 - a. dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50 per cent or cease the exercise of control over the subsidiary or ;
 - b. sell, dispose and lease the assets of the material subsidiary amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year;

except in cases where such divestment/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 .



6. Amendments to the Policy:

The Board shall review and amend this Policy as and when required.

Any subsequent amendment / modification in the Regulation and /or other applicable laws in this regard shall automatically apply to this Policy.