

Intellius Recode Limited

Policy on Material Subsidiaries
CG/POL-Mat Sub/Ver-1.0

DOCUMENT REVIEW HISTORY

Version	Modification	Prepared By	Reviewed By	Date
1.0	Policy Creation	Achuthan Raman	Prasanna Ramaswamy	27-11-2025

Board Approval Date: 28th Nov 2025

For and on behalf of Board of Intellius Recode Private Limited



Name: Prasanna Ramaswamy
Designation: Director

1. TITLE

This Policy on Material Subsidiaries shall be called Intellius Recode Private Limited - Policy on Material Subsidiaries.

2. SCOPE

This Policy is framed, in accordance with the requirement of Regulation 16 (1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with amendments, if any ("SEBI Listing Regulations"). This Policy for determining Material Subsidiary ("Policy") of the Company has been prepared and adopted in accordance with the SEBI Listing Regulations, and subsequent amendments thereof.

3. OBJECTIVE

The objective of the Policy is to determine the "material" subsidiaries of the Company and to provide the governance framework for such subsidiaries.

4. DEFINITIONS

- a. "Company" means a company incorporated under the Companies Act, 2013 or under any previous company law.
- b. "Board of Directors" or "Board" means the Board of Directors of Intellius Recode Private Limited, as constituted from time to time.
- c. "Audit Committee or Committee" means Audit Committee constituted by the Board of Directors of the Company, from time to time.
- d. "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 Section 149 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.
- e. "Subsidiary" shall be as defined under the Companies Act, 2013 and the Rules made thereunder.
- f. "Unlisted Material subsidiary for requirement of appointment of Independent Director" 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.
- g. Consolidated Income or Net worth means the total income or net worth of the Company and its subsidiaries.
- h. Unlisted Indian subsidiary means a material subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.
- i. Material subsidiary shall mean a subsidiary, whose 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.
- j. "Unlisted Material Subsidiary" implies an unlisted subsidiary, incorporated in India, whose Turnover or net worth exceeds 10% of the consolidated Turnover or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.
- k. "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.
- l. "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. CRITERIA FOR DETERMINING THE MATERIAL SUBSIDIARIES

- a) A subsidiary shall be a Material Subsidiary for the financial year, if any of the following conditions are satisfied:
- b) Investment of the Company in the subsidiary exceeds 20% of its consolidated net worth; or
- c) the subsidiary has generated 20% of the consolidated income of the Company during the

financial year.

- d) Net worth or Income, as the case may be, shall be as per the audited balance sheet of the previous financial year.
- e) The Audit Committee to annually review the list of subsidiaries together with the details of the materiality defined herein, before 30th September of every year.

6. GOVERNANCE OF MATERIAL SUBSIDIARIES

6.1. At least one Independent Director of the Company shall be a director on the Board of the material non-listed Indian subsidiary company, whether incorporated in India or not. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company on a quarterly basis.

6.2. The minutes of the Board Meetings of the unlisted subsidiary company be placed before the Board of the Company on a quarterly basis.

6.3. Board of Directors of the Company review all significant transactions and arrangements entered into by the unlisted subsidiary company on a quarterly basis.

6.4. Every material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit as referred under section 204 of the Companies Act, 2013 by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the secretarial audit report shall be annexed with the annual report of the Company.

The management shall present to the Audit Committee annually the list of such Subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Unlisted material Subsidiary.

6.5. Any loan made by the Company to its wholly owned subsidiary shall be utilised by the subsidiary company for its principle business activities.

6.6. Any loan made by bank or financial institution to the subsidiary company, for which guarantee or the security was provided by the Company, such loan shall be utilised by the subsidiary company for its principal business activities.

6.7. No loan shall be given by the Company to its subsidiary company at a rate of interest lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan. If conflict between two regulations viz., the Companies Act 2013 and SEBI regulations are irreconcilably inconsistent, the stricter one shall prevail.

7. DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not, without the prior approval of the members by way of Special Resolution passed in a general meeting,:

- a) Dispose shares held by Company in its Material Subsidiary which shall result in reduction of Company's shareholding in the Material Subsidiary (either individually or together with its other subsidiaries) to less than or equal to fifty percent or the Company ceasing to exercise control over the Material subsidiary; or

- b) 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;

Except in cases where such divestment, sale, disposal, lease as the case may be is made under a scheme of arrangement duly approved by the Court / Tribunal.

8. AMENDMENTS

This Policy may be amended by the board at any time and is subject to the (i) Amendments to the Companies Act, 2013 and (ii) further guidelines and enactments by the SEBI, including Listing Agreement. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there are any statutory changes necessitating the amendment in the policy.

The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

9. REVIEW OF THE POLICY

The audit committee shall review this Policy periodically. However, all such amendments will be subject to applicable laws, rules and regulations, from time to time. The Company Secretary & Compliance Officer of the Company may update this policy from time to time only to the extent so as to reflect any changes SEBI Listing Regulations as amended from time to time and the updated version be issued and published as necessary, without any requirement for approval from the Board.

10. DISCLOSURES

The Policy for determining material subsidiaries is to be disclosed in the Annual Report of the Company, as per the provisions of laws in force. The policy shall also be uploaded on the website of the Company.