



ABANS ENTERPRISES LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY (IES)

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CIN: L74120MH1985PLC035243

POLICY FOR DETERMINING MATERIAL SUBSIDIARY (IES)

I. PREAMBLE

The Board of Directors (the “Board”) of the Company recognizes the importance of stakeholders’ interest and their trust in the Company. To uphold this confidence, ensure transparent mechanism and to ensure governance of material subsidiary(ies) on defined parameters as required under the regulatory framework, the Board has adopted a policy for determining material subsidiary(ies) (the “Policy”). The Board will review and may amend this policy from time to time.

This Policy is framed keeping in fore the best interests of its stakeholders and the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and also the Companies Act, 2013 (the “Act”), as amended from time to time.

II. OBJECTIVE

The objective of the policy is :

- a. to determine the material subsidiary(ies) of the Company
- b. to provide the governance framework for such material subsidiary(ies) in a transparent and fair manner.
- c. to outline the procedures for identification, review, disclosure and reporting of such transactions.

III. DEFINITIONS

“**Audit Committee**” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

“**Board**” means Board of Directors of the Company.

“**Company**” means “Abans Enterprises Limited.

“**Independent Director**” means a director referred to in Section 149 (6) of the Companies Act, 2013, Regulation 16 1(b) of SEBI Listing Regulations.

“**Key Managerial Personnel**” (“KMP”), a person defined as Key Managerial Personnel as per Section 2(51) of the Companies Act, 2013.

“**Policy or This Policy**” means, “Policy on Determining Material Subsidiary(ies)”

“**Subsidiary**” means any Body Corporate as defined under Section 2(87) of the Companies Act, 2013, Regulation 2(1)(zm) of SEBI (LODR) Regulations, 2015 or any person as defined under applicable accounting standards.

“**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

“**Unlisted Subsidiary**” means any subsidiary whose securities are not listed on any recognized Stock Exchange.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning as assigned to them in the Companies Act, 2013, Listing Regulations and/or any other SEBI Regulation(s) as amended from time to time.

V. MATERIALITY THRESHOLDS

A subsidiary (incorporated in India or Outside India) shall be considered as a Material Subsidiary, if its turnover or net worth exceeds ten percent of the consolidated turnover or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

VI. GOVERNANCE FRAMEWORK

- a. The Board of Directors will determine and will verify whether the subsidiary of the Company is ‘Material’ as specified in Clause V above after the end of each financial year.
- b. At least one Independent Director of the Company shall be a director on the Board of an unlisted material subsidiary, incorporated in India or not. Material Subsidiary, for the purpose of this clause, means a Subsidiary whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.
- c. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- d. The minutes of the Board meetings of the unlisted subsidiary(ies) shall be placed at the Board meeting of the Company.
- e. A statement of all such significant transactions and arrangements (individually or collectively), entered into by the unlisted subsidiary(ies), that is likely to exceed ten percent of:

- i. the total revenues; or
 - ii. total expenses; or
 - iii. total assets; or
 - iv. total liabilities,
- as the case may be, of the unlisted subsidiary(ies) for the immediately preceding accounting year, shall be presented for noting by the Board, at its meeting where audited annual accounts are placed for approval.
- f. The Company shall not, without the prior approval of the shareholders in General Meeting, by way of special resolution:
 - i. dispose of the shares held in material subsidiary(ies) which would reduce the company's shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%, 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; or
 - ii. dispose of the shares held in material subsidiary(ies) which would cease the exercise of control over the subsidiary; or
 - iii. Sell, dispose of and/ or lease assets amounting to more than twenty percent of the assets to the material subsidiary on an aggregate basis during a financial year unless in cases where the disinvestment/ 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. Provided further that this clause shall not be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.”
 - g. Every material unlisted subsidiaries incorporated in India shall undertake secretarial audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a secretarial audit report with the annual report of the Company.
 - h. 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

VII. AMENDMENTS

Any changes in the Policy on account of regulatory requirements will be reviewed and recommended by the Audit Committee and approved by the Board based on the recommendations of the Audit Committee. The Audit Committee/Board will give suitable directions/guidelines to implement the same. However, the amended regulatory requirements will supersede the existing Policy till the time Policy is suitably amended.

VIII. REGISTERS, DISCLOSURES AND REPORTING

This Policy will be uploaded on the website of the Company namely, www.abansenterprises.com and a web link thereto shall be provided in the Annual Report. The provisions of this Policy can be amended/modified by the Board of Directors of the Company from time to time.

 This Policy was last approved and modified by the Board of Directors on February 04, 2025