

**GLOBALSPACE TECHNOLOGIES LIMITED**

**POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

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

## 1. Introduction

The Board of Directors (the “Board”) of Globalspace Technologies Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries (defined below). The Board may review and amend this policy from time to time.

## 2. Policy Objective

To determine the Material Subsidiaries of Globalspace Technologies Limited and to provide the governance framework for such subsidiaries.

The Policy for determining ‘Material’ Subsidiaries has been framed in accordance with Regulation 16(1)(c) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Policy will be used for determining material subsidiaries and to provide governance framework for such subsidiaries. The words and expression used in this policy shall have the same meaning as assigned to them under the Companies Act, 2013, rules and regulations made there under and the [Listing Regulations]

## 3. Definitions

“**Audit Committee**” or “**Committee**” means Audit Committee constituted by the Board of the Company, from time to time under provisions of the Listing Regulations, Reserve Bank of India Act, 1934 and/or the Companies Act, 2013.

“**Board of Directors**” or “**Board**” means the Board of Directors of Globalspace Technologies Limited, as constituted from time to time.

“**Company**” means a company incorporated under the Companies Act, 2013 or under any other act prior to or after Companies Act, 2013. Further the word Company shall be construed with reference to GlobalSpace Technologies Limited.

“**Material Subsidiary**” A Subsidiary shall be a Material Subsidiary if, any of the following conditions are satisfied:

- i. the net worth of the subsidiary exceeds 10 per cent of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year; or
- ii. the turnover of the subsidiary exceeds 10 per cent of the consolidated turnover of Company and its Subsidiaries in the immediately preceding accounting year.

“**Material Unlisted Indian Subsidiary**” shall mean an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“**Policy**” means Policy on Material Subsidiary(ies).

“**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.

“**Consolidated Turnover or Net worth**” means the total turnover or net worth of the Company and its subsidiaries.

“**Subsidiary**” shall be as defined under the Companies Act, 2013 and the Rules made thereunder. “**Unlisted Subsidiary**” shall mean a subsidiary whose securities are not listed on any recognized Stock exchanges.

#### 4. Policy and Procedures

- a) The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
- b) The minutes of the meetings of the Board of directors of the unlisted subsidiary company shall be placed at the meeting of the Board of Directors of the Company at regular intervals.
- c) The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.
- d) At least one Independent Director of the Company shall be a director on the board of an unlisted material subsidiary whether incorporated in India or not.

**Note:** Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16 (1) (c), the term “**material subsidiary**” 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.

- e) The Company shall not 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% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by 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.
- f) Where a company has a listed subsidiary which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.  
  
Nothing contained in this sub-clause shall be applicable if such sale, disposal or lease of assets is between two wholly owned subsidiaries of the Company.”
- g) Every material unlisted subsidiary incorporated in India shall undertake secretarial audit and the secretarial audit report shall be annexed with the annual report of the Company.

#### 5. Secretarial Audit of Material Unlisted Subsidiaries Incorporated in India

All material unlisted subsidiaries incorporated in India shall undertake secretarial audit by a peer reviewed Company Secretary in practice and shall annex with its annual report, a secretarial audit report, given by a Company Secretary in practice in the prescribed format.

#### 6. Disposal of Material Subsidiary

The Company shall not:

- i. The Company shall not 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 fifty percent (50%) or cease the exercise of control over the subsidiary without

passing a special resolution in its general meeting except in such cases where 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.

- ii. Selling, disposing and leasing of assets amounting to more than twenty percent (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, unless the 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

## **7. Policy Review**

This Policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications. Any subsequent amendment / modification in the Listing Regulations, Companies Act, 2013 and/or applicable laws in this regard shall automatically apply to this Policy.

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

## **8. Scope and Limitation**

In the event of any conflict between the provisions of this Policy and the Listing Regulations, Companies Act, 2013 and/or applicable laws applicable to the Company, the provisions of the Listing Regulations, Companies Act, 2013 and/or applicable laws shall prevail over this Policy.