

EPACK PREFAB TECHNOLOGIES LIMITED

(Formerly known as Epack Prefab Technologies Private Limited and Epack Polymers Private Limited)

Regd. Office: 61-B, Udyog Vihar, Surajpur, Kasna Road, Greater Noida, Gautam
Buddha Nagar U.P. 201306
CIN No: U74999UP1999PLC116066

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Contents

1. Legal framework.....	3
2. Purpose of the policy.....	3
3. Definitions.....	3
4. Provisions with regard to material subsidiary companies	4
5. Restriction on disposal of shares of material subsidiary by the company.....	4
6. Restriction on disposal of assets of material subsidiary	4
7. Disclosures	4
8. Review	5
9. Amendment.....	5
10. Version Control.....	5
11. Effective Date	5

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. Legal framework

Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (“SEBI Listing Regulations”) extends certain principles of Corporate Governance to Material Subsidiaries of listed companies.

The Board of Directors (the “Board”) of EPACK PREFAB TECHNOLOGIES LIMITED (the “Company”) is required to formulate a policy for determining “Material Subsidiaries” to comply with the requirements of Regulation 16(1) (c) of the SEBI Listing Regulations for such Material Subsidiaries.

In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment (s), clarification (s), circular (s) etc.

2. Purpose of the policy

Besides determining the Material Subsidiaries and disclosure thereof as required by SEBI Listing Regulations and any other Laws and Regulations as may be applicable to the Company, the Policy on Material Subsidiaries (this “Policy”) intends to ensure governance of Material Subsidiaries by complying with Directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions or arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling or disposing or leasing of assets of such Subsidiaries by the Company.

3. Definitions

- a. **“Act”** means Companies Act, 2013 and Rules prescribed thereunder, including any statutory amendment or modification thereof.
- b. **“Audit Committee”** means the Audit Committee of the Board which as on date complies with the provisions of Section 177 of the Act read with applicable Rules and Regulation 18 of the SEBI Listing Regulations.
- b) **“SEBI Listing Regulations”** means the regulations as contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) including any amendment or modification thereof.
- c) **“Consolidated Income”** means the total income of the Company and its Subsidiaries.
- d) **“Holding Company”** in relation to one or more other companies, means a company of which such companies are Subsidiary companies.
- e) **“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, SEBI Listing Regulations any other applicable law.
- f) **“Material Subsidiary”**- A Subsidiary shall be considered as Material whose income or net worth exceeds 10% of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.
- g) **“Net Worth”** shall mean the net worth as defined in Section 2(57) of the Companies Act 2013.
- h) **“Subsidiary Company”** or **“Subsidiary”** in relation to any other company (that is to say the Holding Company), means a company in which the Holding Company:
 - i. Controls the composition of the Board; or

- ii. Exercises or controls more than one half of the total voting power either at its own or together with one or more of its Subsidiary companies. Explanation- For the purpose of this definition:-
- a) A company shall be deemed to be a Subsidiary company of the Holding Company even if the control referred to in clause (i) or (ii) above is of another Subsidiary company of the Holding Company;
 - b) The composition of a company's Board shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the Directors.

The term "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. (Section 2 (27) of the Act).

4. Provisions with regard to material subsidiary companies

1. The Chief Financial Officer of the Company will be responsible for monitoring and determining which of the Subsidiaries falls within the definition of Material Subsidiary basis the consolidated income or net worth of the Company or such other regulatory criteria as may be notified from time to time.
2. Monitoring of investments made by the Company in the Subsidiaries for the purpose of determining the Materiality of the Subsidiary shall be done whenever such an investment is made. Monitoring the quantum of generation of consolidated income of the Company will be done at the time of finalizing the consolidated annual accounts of the Company.

5. Restriction on disposal of shares of material subsidiary by the company

The Company shall not dispose 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 disinvestment is made under a scheme of arrangement duly approved by a Court or Tribunal or under a resolution plan duly approved under section 31 of Insolvency & Bankruptcy code and such event is disclosed to the recognized stock exchange within one day of the resolution plan being approved.

6. Restriction on disposal of assets of material subsidiary

The Company shall not sell, dispose and lease assets amounting to more than 20 % of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of the shareholders by way of passing special resolution in its General Meeting, unless the sale or disposal or lease is made under a scheme of arrangement duly approved by Court or Tribunal or under a resolution plan duly approved under section 31 of Insolvency & Bankruptcy code and such event is disclosed to the recognized stock exchange within one day of the resolution plan being approved.

7. Disclosures

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

8. Review

This policy shall be subject to review by the Board as may be deemed necessary or to meet any regulatory requirements.

9. Amendment

In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

10. Version Control

Version	Description	Date
Version 1	Policy for determining material subsidiary	December 18, 2024

11. Effective Date

This Policy was approved and adopted by the Board on December 18, 2024.