



Policy on determination of Material Subsidiary

Amara Raja Energy & Mobility Limited

CIN: L31402AP1985PLC005305

Registered office: Renigunta – Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517520

Corporate Operations Office: Terminal A, 1-18/1/AMR/NR, Nanakramguda, Gachibowli, Hyderabad – 500032

Tel: 91 (40) 23139000 Fax: 91 (40) 23139001

E-mail id: investorservices@amararaja.com

Website: <https://www.amararajeandm.com/>

Policy on determination of Material Subsidiary

1. Preamble

The following shall be the Policy on determining material subsidiaries of Amara Raja Energy & Mobility Limited ('Company'), as approved by the Board of Directors of the Company as required under Explanation to Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

This Policy is subject to the Board's review and changes, as may be appropriate, in conformity with the requirements of Listing Regulations, as may be amended, from time to time.

2. Purpose

The purpose of this Policy is to help determine the material subsidiaries of the Company.

3. Definitions

- a. **"Audit Committee"** means the Audit Committee of Board of Directors of the Company;
- b. **"Board"** means the collective body/Board of the Directors of the Company;
- c. **"Material Subsidiary"** in terms of Regulation 16(1)(c) of the Listing Regulations means a subsidiary of the Company, 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.
- d. **"Significant Transaction or Arrangement"** means any individual transaction or arrangement of the Company's unlisted subsidiary 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 that unlisted subsidiary for the immediately preceding accounting year;
- e. **"Subsidiary"** means a company as defined under Section 2(87) of the Companies Act, 2013 and the Rules thereunder from time to time;
- f. **"Policy"** means this Policy on determination of Material Subsidiary.
- g. **"Unlisted Subsidiary"** means a Subsidiary of the Company not listed on any stock exchanges in India or overseas.
- h. **"Peer reviewed Company Secretary"** means a Company Secretary in practice as defined under relevant provisions of the Act, rules made thereunder from time to time and Listing Regulations.

All other words and expressions used in this policy if defined in the Act, Listing Regulations and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

4. Corporate Governance Requirements with respect to subsidiary of the Company:

- 1) In terms of Regulation 24(1) of the Listing Regulations, at least one Independent Director on the Board of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

- 2) For the purpose of this clause, notwithstanding anything to the contrary contained in the Regulation 16(1)(c) or any other regulation/clause of Listing Regulations and this Policy, the term “material subsidiary” as defined under explanation to Regulation 24(1) of the Listing Regulations shall mean 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.
- 3) Other corporate governance requirements as specified under Regulation 24 of the Listing Regulations pertaining to minutes of the meetings, investments, financial statements etc. and reporting of significant transactions of the unlisted subsidiaries (whether material or not) shall be complied with accordingly.

5. Restrictions on disposal of shares or of assets of material subsidiary

Without the prior approval of the shareholders of the Company by means of a special resolution as prescribed under applicable laws or Listing Regulations, the Company shall not:

- i. 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, or cease the exercise of control over such Subsidiary except in cases where such divestment 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 the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved;
- ii. sell/dispose/lease assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the sale/disposal/lease 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 the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved. This shall not be applicable if such transaction is between two wholly owned subsidiaries of the Company.

6. Secretarial Audit of material unlisted subsidiary incorporated in India

The material unlisted subsidiary/ies of the Company incorporated in India shall undertake a secretarial audit as per Regulation 24A (1) of the Listing Regulations. The said report issued by peer reviewed practicing company secretary shall be annexed to the annual report of the Company.

Where the Company has a listed subsidiary, which is itself a holding company, the provisions of this policy enumerated in clause(s) 4 to 6 shall also apply to the listed subsidiary in so far as its subsidiaries are concerned.

7. Significant transactions / arrangements of unlisted subsidiary Companies

The management of the unlisted subsidiary should periodically bring to the attention of the Board a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary in the prescribed format, if any.

8. Disclosure

This Policy shall be disclosed on the website of the Company and a weblink thereto shall be provided in the Annual Report of the Company.

Version	Board Approval Date
V0	27-10-2020
V1	11-02-2026