



POLICY ON MATERIAL SUBSIDIARY

Introduction

This policy is been formulated pursuant to the provision of Regulation 16(1)(c) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (“Listing Regulations”) for the purpose of determination of Material Subsidiary of “S P Capital Financing Limited” (“the Company”).

Effective Date

This Policy effective from, May 29, 2024.

Definition

1. “Company” means “S P Capital Financing Limited”
2. “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
3. “Listing Regulations” means “Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015”

Compliances

1. At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.
2. Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
3. Minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.
4. The management of unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.



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5. The Company shall not dispose of shares in its material subsidiary resulting in reduction of 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 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 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
6. Selling, disposing and leasing of assets amounting to more than twenty percent 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
7. This provisions shall be applicable to the subsidiary of the listed subsidiary of this company.
8. Pursuant to Regulation 24A of listing regulations, the Company and its material subsidiary incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by the Company secretary in practice, in such form as specified, with the annual report of the Company.