

EQUIPPP SOCIAL IMPACT TECHNOLOGIES LIMITED

Policy for Determination of Material Subsidiaries

EQUIPPP Social Impact Technologies Limited

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1. Introduction

This policy establishes the criteria and procedures for identifying material subsidiaries of Equipp Social Impact Technologies Limited ("the Company"), a listed entity on NSE And BSE, in accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). This policy aims to ensure transparency, effective governance, and compliance with applicable regulatory requirements.

2. Objective

The objective of this policy is to define and consistently apply a methodology for determining material subsidiaries, thereby enabling appropriate oversight and disclosures.

3. Definitions

- **Subsidiary:** Shall have the same meaning as defined under the Companies Act, 2013.
- **Material Subsidiary:** A subsidiary of the Company whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- **Consolidated Financial Statements:** The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with applicable accounting standards and regulations.
- **Audit Committee:** The Audit Committee of the Board of Directors of the Company.

4. Criteria for Determination

- A subsidiary shall be deemed a Material Subsidiary if its:
 - Income exceeds 10% of the consolidated income of the Company and its subsidiaries; or
 - Net worth exceeds 10% of the consolidated net worth of the Company and its subsidiaries.
- The determination shall be based on the audited consolidated financial statements of the Company for the preceding accounting year.

5. Procedure for Determination

- The Finance Department of the Company shall be responsible for:
 - Calculating the consolidated income and net worth of the Company and its subsidiaries.

- o Identifying subsidiaries that meet the criteria for Material Subsidiary status.
- o Preparing a report detailing the analysis and determination of Material Subsidiaries.
- The determination shall be made annually within 60 days following the approval of the audited consolidated financial statements by the Board of Directors.
- The report prepared by the Finance Department shall be presented to the Audit Committee for review and recommendation.
- The Audit Committee shall review the report and provide its recommendations to the Board of Directors.
- The Board of Directors shall approve the list of Material Subsidiaries.
- If during any financial year, there is a significant event that could cause a subsidiary to become a material subsidiary, a review will be triggered, and the process outlined in this policy will be followed.
- If a subsidiary ceases to be material, its governance requirements under this policy shall continue until the end of the financial year.
- The Company Secretary will ensure that the list is updated, and all necessary disclosures are made.

6. Disclosure and Reporting

- The Company shall disclose the list of its Material Subsidiaries and this policy on its website and provide a web link thereto in the Annual Report , as required by the SEBI LODR Regulations.
- Any changes to the list of Material Subsidiaries shall be promptly disclosed to the stock exchanges in accordance with the SEBI LODR Regulations.

7. Review and Amendment

- This policy shall be reviewed annually by the Board of Directors to ensure its continued relevance and effectiveness.
- Any amendments to this policy shall be approved by the Board of Directors.

8. Responsibilities

- **Board of Directors:** Responsible for the overall implementation and oversight of this policy.

- **Audit Committee:** Responsible for reviewing the determination of Material Subsidiaries and providing recommendations to the Board.
- **Finance Department:** Responsible for conducting the calculations and preparing the report for the determination of Material Subsidiaries.
- **Company Secretary:** Responsible for ensuring compliance with this policy and making necessary disclosures.

9. Governance of Material Subsidiaries

- At least one Independent Director on the Board of Directors of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.

(Explanation: For the purpose of this requirement, notwithstanding anything to the contrary contained in this Policy, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% (twenty per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.)

- The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- The 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.
- The management of the unlisted subsidiary shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

10. Effective Date

This policy shall be effective from the date of approval by the board of directors of the company.

Approved by:

Board of Directors of Equipp Social Impact Technologies Limited

Date: 30th May, 2025