



EMS LIMITED

CIN: L45205DL2010PLC211609

Regd. Office: 701, DLF Tower A, Jasola, New Delhi, Delhi, India-110025

Phone: 0120-4235555, 4235559

POLICY ON DETERMINING MATERIAL SUBSIDIARIES

1. GENERAL

The Board of Directors of **EMS Limited (“Company”)** in pursuance of Regulation 16(1)(c) and Regulation 24(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“SEBI Listing Regulations”), which requires a listed entity to adopted this policy for laying down a criterion for determining “Material Subsidiaries” and their governance.

Pursuant to Regulation 46 (2) of the Listing Regulations, the listed entity is required to disclose the Policy on its website and a web link thereto shall be provided in the Annual Report.

2. DEFINITIONS

“Act” means the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

“Board of Directors” or “Board” means the Board of Directors of **EMS Limited**; as constituted from time to time.

“Company” means **EMS Limited**.

“Holding Company”, in relation to one or more other Companies, means a Company of which such Companies are Subsidiary Companies.

Explanation. –For the purposes of this clause, the expression “company” includes anybody corporate.

“Material Subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 10% (ten percent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year as per the audited financial statements.

Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

“Independent Director” means a director appointed on the Board of the Company as Independent Director and who fulfils the required criteria under the Listing Regulations and Act as applicable from time to time.”

“Subsidiary” as defined under Section 2(87) of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, 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 of Directors; or

- (ii) exercises or controls more than one-half of the total voting power either on its own or together with one or more of its subsidiary companies.

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation - For the purposes of this clause:

- (a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) above is of another subsidiary company of the holding company;
- (b) the composition of a company's Board of Directors 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;
- (c) the expression "company" includes anybody corporate; and
- (d) "layer" in relation to a holding company means its subsidiary or subsidiaries

"Significant transactions or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of total revenues or total expense or total assets or total liabilities, as the case maybe, of the material unlisted subsidiary for the immediately preceding accounting year.

"turnover" means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or any other applicable laws or rules or regulation to the extent applicable to the Company.

3. Corporate Governance Requirements with Respect to Subsidiaries

- (i) At least one independent director on the Board of Director of the Company shall be a director on the board of directors of an unlisted material Subsidiary Company, whether incorporated in India or not.
- (ii) The Audit Committee of the Company shall review the financial statements of each unlisted Subsidiary including Material Subsidiary, in particular, the investments made by such unlisted subsidiary on a regular basis.
- (iii) The minutes of the Board Meetings of the unlisted subsidiary(ies) shall be periodically placed before the Board of Directors of the Company;
- (iv) A statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary(ies) shall be periodically placed before the Board of Directors of the Company;

(v) Every material unlisted subsidiary incorporated in India shall get the secretarial audit conducted from an independent practicing company secretary and the secretarial audit report shall be annexed with the Annual Report of the Company.

(vi) 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 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 a Court / Tribunal, or under a resolution plan duly approved under section 31 of The Insolvency and Bankruptcy Code, 2016 ("Insolvency Code") and such an event is disclosed to the recognized stock exchanges within 1 (one) day of the resolution plan being approved.

(vii) The Company shall not sell, dispose and lease assets amounting to more than 20% (twenty percent) of the assets of the Material Subsidiary on an aggregate basis during a financial year unless it obtains prior approval of shareholders of the Company by way of special resolution, except in cases where 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.

(viii) The Company shall disclose all events or information with respect to its Subsidiaries which are material for the Company as per Regulation 30(9) of the SEBI Listing Regulations.

4. Interpretations

Any words used in this Policy but not defined herein shall have the same meaning attributed to it under the Companies Act, 2013 or Rules made there under, SEBI Act or rules and regulations made thereunder.

5. Disclosure

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

6. Review and Amendments

The Policy was duly approved by the Board of Directors in its meeting held on September 05th, 2023 (and subsequently modified on ___ May, 2025).

Conversely, if due to subsequent amendment in the statutory provisions, this Policy or any part hereof becomes inconsistent, such amended statutory provisions shall prevail and this Policy shall be deemed to be amended to that extent.
