



# **QUINT DIGITAL LIMITED**

*(FORMERLY KNOWN AS QUINT DIGITAL MEDIA LIMITED)*

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

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## 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Quint Digital Limited (the “**Company**”) at its meeting has adopted this policy for Determining Material Subsidiaries (the “**Policy**”) as required by Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”).

This Policy will be used to determine the material subsidiaries and material unlisted Indian subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Act**”) and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

## 2. DEFINITIONS

- a) “**Audit Committee**” means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations.
- b) “**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 Act and the Listing Regulations.
- c) “**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.
- d) “**Material Unlisted Indian Subsidiary**” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e paid up capital and free reserves) exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- e) “**Significant transaction or arrangement**” shall mean any individual transaction or arrangement 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 the unlisted subsidiary for the immediately preceding accounting year.
- f) “**Subsidiary**” shall be as defined under the Act and the rules made thereunder.
- g) “**Unlisted Subsidiary**” means subsidiary whose securities are not listed on any recognized Stock Exchanges.

3. POLICY AND PROCEDURE

- a) The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
- b) The minutes of the meetings of the Board of the unlisted subsidiary shall be placed at the meeting of the Board of the Company at regular intervals.
- c) The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

**Explanation:** For the purpose of this regulation, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

- d) At least one independent director on the Board shall be a Director on the Board of an unlisted material subsidiary, whether incorporated in India or not. Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16(1)(c), the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- e) A 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 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.
- f) 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.

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- g) Where a Company has a listed subsidiary, which is itself a holding Company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
- h) In case a Company has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

### **4. DISCLOSURES**

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Board's report.

### **5. REVIEW / AMENDMENT**

This policy may be reviewed by the Board from time to time. However, any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of the Policy shall automatically apply to the Policy and the relevant provision(s) of the Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in the Policy.

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**DATES OF REVIEW/AMENDMENT**

<b>S.No.</b>	<b>Date of review/amendment</b>
1.	May 30, 2023