



POLICY ON DETERMINATION OF MATERIAL SUBSIDIARY

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POLICY ON DETERMINATION OF MATERIAL SUBSIDIARY

*Pursuant to Regulation 16(1) (c) of SEBI (Listing Obligations Disclosure Requirements)
Regulations, 2015*

1. PURPOSE AND SCOPE OF POLICY

Valiant Laboratories Limited ('VLL' or 'Company') is governed amongst others by the rules and regulations framed by Securities Exchange Board of India ('SEBI'). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') lays out regulatory requirements for material subsidiary companies.

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.

2. OBJECTIVE OF POLICY

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

The Policy is framed in accordance with the requirements of the Regulation 16(1)(C) of the Listing Regulations.

3. DEFINITIONS

- '**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.
- '**Board of Directors**' or '**Board**' means the Board of Directors of Valiant Laboratories Limited, as constituted from time to time.
- '**Company**' means Valiant Laboratories Limited.
- '**Independent Director**' means a Non-Executive Director, other than a nominee director of the listed entity, and who satisfies other criteria for independence under Section 149(6) of the Act and Regulation 16(b) of the Listing Regulations.
- '**Policy**' means this Policy, as amended from time to time.

4. IDENTIFICATION OF MATERIAL SUBSIDIARY

Subsidiary shall be considered material, if its 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.



5. GOVERNANCE FRAMEWORK

1. The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
2. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company at regular intervals.
3. 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 company.

A transaction or arrangement shall be considered significant if it exceeds or is likely to exceed 10 (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.

4. At least one Independent Director of the Company shall be a Director on the board of the unlisted material subsidiary whether incorporated in India or not.

For the purpose of said appointment the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20 (twenty) percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

5. The Company shall obtain prior approval of shareholders by way of Special Resolution, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries), results in reduction of its shareholding, to less than or equal to 50% or the Company cease the exercise of control over the subsidiary.

Such approval shall not be required if divestment is:

- under a scheme of arrangement duly approved by 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. The Company shall obtain prior approval of shareholders by way of special resolution, if any sale, disposal and leasing of assets amounting to more than 20 (twenty) percent of the assets of the material subsidiary on an aggregate basis during a financial year;

Such approval shall not be required if such sale, disposal and leasing of assets is;

- under a scheme of arrangement duly approved by 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. Every material unlisted Indian subsidiary incorporated in India shall undertake Secretarial Audit and the Secretarial Audit Report shall be annexed with the Annual Report of the Company.

6. AMENDMENTS

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

7. IMPLEMENTATION

This Policy will be effective from the date of listing of the equity shares of the Company on the Stock Exchanges.

8. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

**The above policy is reviewed and adopted by the Board of Directors at their meeting held on February 7, 2025.*


