

**METROPOLIS HEALTHCARE LIMITED**

**POLICY ON MATERIAL SUBSIDIARIES**

<b>Reviewing Authority</b>	Audit Committee of the Company
<b>Approving Authority:</b>	Board of Directors of the Company
<b>Original Issue Date:</b>	February 11, 2019
<b>Last Revision Date:</b>	February 04, 2025
<b>Version No.:</b>	2.0
<b>Applicability</b>	The Company and its Subsidiaries

## 1. INTRODUCTION

- 1.1 The Board of Directors (**the "Board"**) of Metropolis Healthcare Limited (**the "Company"**), has adopted this Policy to set forth the criteria for determination of "Material Subsidiaries" at its meeting held on February 11, 2019. The Board may review and amend this Policy from time to time. This Policy is in accordance with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (**the "Listing Regulations"**).
- 1.2 The primary objective of this policy is to set forth the criteria towards ascertaining material subsidiaries of the Company and to provide governance framework for such subsidiary.

## 2. DEFINITIONS

- a) "**Act**" means Companies Act, 2013 and Rules made thereunder.
- b) "**Audit Committee or Committee**" means Audit Committee constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, as amended from time to time.
- c) "**Board of Directors**" or "**Board**" means the Board of Directors of Metropolis Healthcare Limited, as constituted from time to time.
- d) "**Company**" means Metropolis Healthcare Limited.
- e) "**Control**" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- f) "**Independent Director**" means an Independent Director referred to in Section 149(6) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.
- g) "**Management**" means the Senior Management and Key Managerial Personnel of Metropolis Healthcare Limited.
- h) "**Material Subsidiary**" shall mean a subsidiary, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 10% of the consolidated turnover or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.

- i) **“Net Worth”** means net worth as defined under Section 2(57) of the Companies Act, 2013.
- i) **“Policy”** means policy on Material Subsidiary.
- j) **“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.
- k) **“Subsidiary”** means **subsidiary company** as defined under Section 2(87) of the Companies Act, 2013 and the rules made thereunder.
- j) **“Turnover”** means turnover as defined under Section 2(91) of the Companies Act, 2013.
- l) **“Unlisted Material Subsidiary”** means a material Subsidiary (whether incorporated in India or not) which is not listed on any Stock Exchanges in India or overseas and excludes the subsidiary the securities of which are proposed to be listed.

The words and expressions used in this Policy unless defined hereunder shall have the meaning assigned to them respectively in the Companies Act, 2013 and rules made thereunder, Listing Regulations, SEBI Act, 1992, Securities Contracts (Regulation) Act, 1956 or the SEBI (Issue of capital and disclosure requirements) regulations or any statutory modification or re-enactment thereof, as the case may be.

### 3. SCOPE & APPLICABILITY

- a) The Subsidiary shall be considered as **“Material”** as defined in clause 2(h).
- b) In case if a listed holding Company has a listed subsidiary, the policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

### 4. GOVERNANCE FRAMEWORK

- a) On the recommendation of Nomination and Remuneration Committee, at least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of the unlisted material subsidiary, whether incorporated in India or not.

Explanation: For the purpose of clause 4(a), the term material subsidiary shall mean subsidiary, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- b) The Audit Committee shall review the financial statements of the subsidiaries, in particular, the investments made by the unlisted subsidiary on a regular basis.
- c) The Audit Committee shall review the utilization of loans and/ or advances from/investment in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- d) The Audit Committee shall review the transactions between the Subsidiary and its related parties and/or related parties of the Company as detailed in the policy on dealing with related party transactions of the Company.
- e) The Board shall review 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.
- f) The Board shall review statement of all significant transactions and arrangements entered into by the unlisted subsidiary periodically.
- g) The Board shall review the statement containing salient features of the financial statements of its subsidiaries and associate companies on an annual basis.
- h) Unlisted Material Subsidiary incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.
- i) The management of the Company shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

**Following transactions/Arrangement shall not be entered without the prior approval of the Shareholders by way of Special resolution:**

- i. Dispose off shares in its Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal / Company Law Board.
- ii. Sell, dispose or lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal/ Company Law Board.

Provided that nothing contained in this sub-clause shall be applicable if such sale, disposal or lease of assets is between two wholly owned subsidiaries of the Company.

## **5. DISCLOSURES**

- 5.1 This Policy shall be disclosed on the Company's website [www.metropolisindia.com](http://www.metropolisindia.com) and a weblink thereto shall be disclosed in the Annual Report of the Company.

## **6. AMENDMENTS TO THE POLICY**

- 6.1 The Board of Directors can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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