



DEEP HEALTH AI INDIA LIMITED

**POLICY FOR DETERMINING MATERIAL
SUBSIDIARIES**

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1. Introduction

The Board of Directors (the “**Board**”) of Deep Health AI India Limited (the “**Company**”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries (defined below). The Board may review and amend this policy from time to time.

2. Policy Objective

To determine the Material Subsidiaries of Deep Health AI India Limited and to provide the governance framework for such subsidiaries.

The Policy for determining ‘Material’ Subsidiaries has been framed in accordance with Regulation 16(1)(c) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Policy will be used for determining material subsidiaries and to provide governance framework for such subsidiaries.

The words and expression used in this policy shall have the same meaning as assigned to them under the Companies Act, 2013, rules and regulations made there under and the [Listing Regulations].

3. Definitions

- a. “**Audit Committee**” or “**Committee**” means Audit Committee constituted by the Board of the Company, from time to time under provisions of the Listing Regulations, Reserve Bank of India Act, 1934 and/or the Companies Act, 2013.
- b. “**Company**” shall mean Deep Health AI India Limited
- c. “**Policy**” means this Policy, as amended from time to time;
- d. “**Subsidiary**” shall mean a subsidiary as defined under the Companies Act, 2013 and Rules made thereunder.
- e. “**Material Subsidiary**” as defined under Clause 16(1)(c), shall mean a Material Subsidiary which is incorporated in India and whose Turnover or Net Worth (i.e. paid-up capital and free reserves) exceeds 10 per cent of the consolidated Turnover or Net Worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- f. “**Material Unlisted Indian Subsidiary**” shall mean an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e., paid up capital and free reserves) exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- g. “**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.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder from time to time, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

4. Governance Framework:

- a. At least one independent director on the Board of the Company shall be a director on the board of directors of an unlisted material subsidiary company, whether incorporated in India or not.

Note: For this requirement, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- b. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary company on a quarterly basis.
- c. The minutes of the Board meeting of the Unlisted Subsidiary companies shall be placed before the Board of the Company at their meeting.
- d. The Management shall periodically bring to the attention of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by the material unlisted subsidiary company.
- e. 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 Listing Regulations.

5. Disposal of Material Subsidiary:

The Company shall not:

- a) dispose of the shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where divestment is made under a scheme or arrangement duly approved by a Court/Tribunal.
- b) sell, dispose off and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without 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.

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

6. Policy Review

This Policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications. Any subsequent amendment / modification in the Listing Regulations, Companies Act, 2013 and/or applicable laws in this regard shall automatically apply to this Policy.

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