

POLICY FOR DETERMINING MATERIAL SUBSIDIARY (IES)

SCOOBEE DAY GARMENTS (INDIA) LIMITED
(Formerly Known as Victory paper & Boards (India) Ltd)

POLICY FOR DETERMINING MATERIAL SUBSIDIARY (IES)

1. Introduction

The Policy for Determining Material Subsidiary (the "Policy") of Scoobee Day Garments (India) Limited, is framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires every listed company to formulate a policy for determining a "material" subsidiary.

This Policy has been adopted by the Board of the Company at its Meeting held on 04.11.2021. The Policy shall also be displayed in the Annual Report and also on the website of the Company.

2. Definitions

"Company" means Scoobee Day Garments (India) Limited.

"Board" or **"Board of Directors"** means Board of Directors of the Company.

"Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

"Independent Director" shall have the meaning given under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

"Listing Regulations" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Material Subsidiary" means a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth, respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

"Material Unlisted Subsidiary" means an unlisted Material Subsidiary.

"Policy" means this Policy for Determining Material Subsidiaries of the Company.

"Significant Transaction and Arrangement" means 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.

"Subsidiary" shall have the meaning given to it in the Companies Act, 2013.

"Unlisted Subsidiary" means an unlisted Subsidiary of the Company.

3. Purpose of the Policy

The objective of this Policy is to set forth the criteria towards ascertaining Material Subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

4. Determination of Material Subsidiary

A Subsidiary of the Company shall be considered as a 'Material Subsidiary', if it fulfils the criteria for the same as mentioned in the Definitions section. The Company shall, on formation of a Subsidiary, at the end of every year, determine whether the Subsidiary falls under the criteria for Material Subsidiary as defined above. In case the Subsidiary falls under such criteria, the same is to be reported to the Board for its noting at the first instance.

5. Governance Framework

- i) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary company.
- ii) The minutes of the Board meetings of the Unlisted Subsidiary companies shall be placed at the Board Meeting of the Company.
- iii) At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of unlisted Material Subsidiary, whether incorporated in India or not.

(For the purpose of the abovementioned point 3., the term "material subsidiary" means a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.)

- iv) The management of the Unlisted Subsidiary shall quarterly bring to the notice of the Board of the Company, a statement of all Significant Transaction(s) and Arrangement entered into by the Unlisted Subsidiary(ies).

6. Disposal of Material Subsidiary

The Company shall not:

- i) 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 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where Policy for Determining Material Subsidiaries 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.

- ii) sell, dispose and lease assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year without obtaining 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.

7. Disclosures

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

8. Amendments/ Modifications

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, as it may deem necessary. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure the objective of good corporate governance.

Note: Please note that currently the Company does not have any subsidiaries including Material subsidiary.