

POLICY ON MATERIAL SUBSIDIARY(IES)

PART – A

1 About the Company

- 1.1 Vivriti Capital Limited (*formerly known as Vivriti Capital Private Limited*) (“**VCL**”/“**Company**”) is a Middle Layer Non-Banking Finance Company registered with the Reserve Bank of India.
- 1.2 VCL is a high value debt listed entity and accordingly the provisions of Chapter V and VA of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended from time to time, are applicable to the Company.

2 Objective

- 2.1 This Policy for determining the Material Subsidiary/ies (“**Policy**”) of the Company has been framed in accordance with the framework laid down in Regulation 62L of the Listing Regulations.

PART-B

3 Definitions

- 3.1 “**Act**” shall mean the Companies Act, 2013 and the rules issued thereunder, as amended from time to time.
- 3.2 “**Audit Committee**” shall mean audit committee of the Company constituted by the Board of the Company from time to time.
- 3.3 “**Board of Directors**” or “**Board**” shall mean the board of directors of the Company, as constituted from time to time.
- 3.4 “**Company**” means Vivriti Capital Limited.
- 3.5 “**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.
- 3.6 “**Financial Statement**” includes balance sheet, statement of profit and loss, cash flow statement and notes thereto.
- 3.7 “**Independent Director**” shall mean independent director in terms of Regulation 16(1)(b) of the Listing Regulations.
- 3.8 “**Insolvency Code**” shall mean Insolvency and Bankruptcy Code, 2016.
- 3.9 “**Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- 3.10 “**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds 20% (twenty percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- 3.11 “**SEBI**” shall mean Securities and Exchange Board of India.
- 3.12 “**Significant Transaction or Arrangement**” shall mean any individual transaction or arrangement that 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 material subsidiary

for the immediately preceding accounting year.

- 3.13 “**Subsidiary**” or “**subsidiary**” shall mean a subsidiary as defined under sub-section (87) of section 2 of the Act.

PART-C

4 Criteria for determining Material Subsidiary

- 4.1 In terms of Regulation 62L of the Listing Regulations, a subsidiary of the Company shall be considered as material if the income or net worth of the concerned subsidiary exceeds 20% (twenty percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

5 Governance Framework

- 5.1 ***Appointment of Independent Directors:*** At least one Independent Director on the Board of Directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

5.2 ***Disposal of shares or assets of Material Subsidiary:***

- 5.2.1 The 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 or equal to 50% (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 1 (one) day of the resolution plan being approved.

- 5.2.2 The Company shall not sell, dispose and/or lease assets amounting to more than 20% (twenty percent) of the assets of the Material Subsidiary on an aggregate basis during a financial year without the prior approval of shareholders by way of special resolution, unless such sale, disposal or 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 1 (one) day of the resolution plan being approved.

- 5.3 ***Secretarial Audit:*** The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the Company.

- 5.4 ***Review by Audit Committee of the Company:*** The Audit Committee of the Company shall also review the Financial Statements, in particular, the investments made by the unlisted material subsidiary.

- 5.5 ***Role of Board of Directors of the Company:*** The minutes of the meetings of the board of directors of the unlisted material subsidiary shall be placed at the meeting of the Board of Directors of the Company.

- 5.6 ***Significant Transaction or Arrangements:*** The management of the unlisted material subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all Significant Transactions or Arrangements entered into by the unlisted subsidiary.

6 Disclosure Requirements

- 6.1 Pursuant to Regulation 62(1A) of the Listing Regulations, this Policy and subsequent amendments thereto shall be posted on the website of the Company.

7 Limitation

- 7.1 In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

8 Amendments and modifications

- 8.1 The Audit Committee will review the Policy periodically and may recommend amendments to the Board of Directors of the Company for the same from time to time, as may be deemed necessary.
- 8.2 The Board of Directors of the Company on its own and/or as per the recommendations of the Audit Committee may amend this Policy, as and when deemed fit.
- 8.3 Any or all provisions of this Policy are subject to such alterations/ amendment/ revisions as may be notified under the Act and the Listing Regulations and/or issued by any relevant statutory authorities. In case any amendment/ clarification/ notification/ circular prescribed by any relevant statutory authority are inconsistent with any of the clauses of this Policy, then such amendment/ clarification/ notification/ circular shall prevail over clauses of this Policy and the Policy shall be deemed to be altered/ amended/ revised to that extent, which alteration/ amendment/ revision shall be effective from the date as laid down under the amendment/ clarification/ notification/ circular issued by any relevant statutory authority.