

WINDLAS BIOTECH LIMITED
POLICY ON MATERIAL SUBSIDIARIES

1. Introduction

The Board of Directors (“**Board**”) of Windlas Biotech Limited (“**Company**”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries. The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company effective May 6, 2021. This Policy is in terms of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).

2. Policy Objective

To determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

3. Definitions

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of the Companies Act, 2013.

"Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.

"Company" means Windlas Biotech Limited.

"Independent Director" shall have the meaning as defined under the Companies Act, 2013 and the Listing Regulations, as amended from time to time. .

"Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

"Policy" means Policy on Material Subsidiary.

"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.

"Subsidiary" shall be as defined under the Companies Act, 2013 and the rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable regulation.

4. Policy

- a) At least one Independent Director of the Company shall be a director on the Board of an unlisted Material Subsidiary, whether incorporated in India or not. For the purposes of this provision, Material Subsidiary shall mean a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed Company and its subsidiaries in the immediately preceding accounting year.
- b) The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary.
- c) The minutes of the board meetings of the unlisted Subsidiary Company shall be placed before the Board of the Company.
- d) The management of the unlisted Subsidiary shall on a periodical basis bring to the attention of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted Subsidiary.
- e) The management shall present to the Audit Committee annually the list of such Subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director on the Board of Directors of the unlisted Material Subsidiary.
- f) The Company and its unlisted Material Subsidiaries 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 in the prescribed form.

5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution, shall not:

- a) dispose of shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other Subsidiaries) to less than 50%; or ceases 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, 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;
- b) sell, dispose of or lease the assets amounting to more than twenty percent 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, 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. Disclosures

The Policy for determining material subsidiaries shall be disclosed on the Company's website www.windlas.com and a web link thereto shall be provided in the annual report.