



MAX HEALTHCARE INSTITUTE LIMITED

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POLICY FOR DETERMINING MATERIAL SUBSIDIARY

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POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Max Healthcare Institute Limited (the “**Company**”) has formulated this policy for determination of material subsidiaries (the “**Policy**”) pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the “**Listing Regulations**”) and other Applicable Laws (*as defined below*),.

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of the Company has adopted this Policy for determining Material Subsidiaries (*as defined below*), and provide the governance framework for such subsidiaries.
- 1.2 This Policy will be applicable to the Company w.e.f. August 21, 2020. The Board of Directors of the Company will review and amend this Policy from time to time, as applicable.

2. DEFINITIONS

- 2.1 “**Act**” means the Companies Act, 2013, and all rules, regulations, notifications and circulars made/ issued thereunder, as amended, from time to time.
- 2.2 “**Applicable Laws**” include any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, notification and clarification issued by any governmental or statutory or regulatory authority or other governmental instruction and/or mandatory standards, as may be applicable to the Company, with respect to determination of a Material Subsidiary, and as amended from time to time.
- 2.3 “**Audit Committee**” means the committee constituted by the Board of the Company under applicable provisions of the Act and the Listing Regulations.
- 2.4 “**Control**” shall have the same meaning ascribed to such term under the Securities and Exchange Board of India (Substantial Acquisitions and Takeovers) Regulations, 2011, as amended from time to time.
- 2.5 “**Holding Company**” shall have the same meaning ascribed to such term under the Act and the Listing Regulations.
- 2.6 “**Independent Director**” or “**ID**” shall have the same meaning ascribed to such term the Act and the Listing Regulations.
- 2.7 “**Material Subsidiary**” means a subsidiary whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- 2.8 **“Significant Transaction or Arrangement”** means 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 subsidiary for the immediately preceding accounting year.
- 2.9 **“Subsidiary”** shall have the same meaning ascribed to such term under the Act and the Listing Regulations.
- 2.10 **“Unlisted Subsidiary”** means a Subsidiary of the Company whose shares are not listed on any recognized stock exchange in India.
- 2.11 Any other terms used in this Policy, and not defined herein, shall have the same meaning as assigned to such terms under the Act and the Listing Regulations or any other Applicable Law.

3. PURPOSE OF THE POLICY

The purpose of this Policy is determination of Material Subsidiaries and disclosures thereof, as required under the Listing Regulations. The Policy also intends to ensure governance of Material Subsidiaries by, *inter alia*, complying with directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions/arrangements, formulating rules regarding disinvestment of shares held by the Company in the Material Subsidiaries, and restrictions on selling/ disposing/ leasing of assets by the Material Subsidiaries.

4. INDEPENDENT DIRECTOR ON THE BOARD OF SPECIFIED MATERIAL SUBSIDIARY

- 4.1 At least one Independent Director on the Board of the Company shall be a director on the board of directors of the unlisted material subsidiary (ies) of the Company, whether incorporated in India or not, which fulfill the criteria laid down in Clause 4.2 below.
- 4.2 For the purposes of Clause 4.1, any material 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, shall be considered.

5. REVIEW OF FINANCIAL STATEMENTS AND MINUTES OF THE UNLISTED SUBSIDIARY

- 5.1 The Audit Committee of the Company shall review the financial statements of the Unlisted Subsidiary, (in particular, the investments made by the Unlisted Subsidiary).
- 5.2 The minutes of the meetings of the board of directors of the Unlisted Subsidiary shall be placed before the Board of the Company.

6. SIGNIFICANT TRANSACTIONS/ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES

The management of the Unlisted Subsidiary shall periodically submit to the Board a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary.

7. DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries of the Company) to less than 50% (fifty percent) or cease the exercise of Control over the its Material Subsidiary without passing a special resolution in its general meeting, except in such cases where divestment is made under a scheme of arrangement duly approved by a court/ tribunal, or under a resolution plan duly approved under the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges on which the Company is listed within 1 (one) day of the resolution plan being approved.

8. DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than 20% (twenty percent) of the assets of the Material Subsidiary on an aggregate basis during a financial year, shall require 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 the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges on which the Company is listed within 1 (one) day of the resolution plan being approved.

9. SECRETARIAL AUDIT

Every unlisted Material Subsidiary incorporated in India shall undertake a secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.

10. REPORTING AND DISCLOSURE

10.1 As prescribed under the Listing Regulations, this Policy shall be disclosed on the Company's website.

10.2 In the event of any change in the Policy made in accordance with Clause 12 below, such change shall be updated on the Company's website within 2 (two) working days of such change.

11. AMENDMENT AND CONFLICT

Any subsequent amendment/modification in the Applicable Laws shall automatically apply to this Policy. The Board has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever. In the event of conflict between this Policy and any Applicable Laws, Applicable Laws shall prevail.