

Turtlemint Fintech Solutions Limited

Material Subsidiaries Policy

Version Control History

Version	Date	Description of Changes	Prepared/Revised By
1.0		Initial creation of the policy document.	

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MATERIAL SUBSIDIARY POLICY

1. PURPOSE OF THIS POLICY:

Fintech Blue Solutions Private Limited (“**Company**”) is governed by the regulations framed by the Securities Exchange Board of India (“**SEBI**”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**Listing Regulations**”) outline the regulatory requirements for material subsidiary companies.

The Board of Directors (the “**Board**”) of the Company has adopted the policy and procedures for determining ‘material’ subsidiary companies (“**Policy**”) in accordance with the provisions of Regulation 16 (1)(c) of the Listing Regulations, at the Board meeting held on _____

This Policy will be used to identify the material subsidiaries and material unlisted Indian subsidiaries of the Company and to provide the governance framework for such subsidiaries.

2. DEFINITIONS:

“**Act**” means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.

“**Applicable Law**” means any law, rules, regulations, circulars, guidelines or standards under which the preparation, implementation and adoption of the policy have been prescribed and is applicable to the Company.

“**Audit Committee**” means the committee constituted by the Board of Directors of the Company, from time to time, in accordance with section 177 of the Act and Listing Regulations.

“**Board**” means the board of directors of Company, as constituted from time to time.

“**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and the Listing Regulations.

Material Subsidiary shall mean a subsidiary of the Company, whose income or net worth exceeds ten percent of the consolidated income or net worth, respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“**Material Unlisted Indian Subsidiary**” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 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.

“Subsidiary” shall be as defined under the Act and the rules made thereunder.

“Unlisted Subsidiary” means subsidiary of the company whose securities are not listed on any Stock Exchanges.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“Act”) and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

3. IDENTIFICATION OF ‘MATERIAL SUBSIDIARY’

The subsidiary shall be identified in terms of the provisions of Listing Regulations as applicable for each case. The Audit Committee shall, on an annual basis, review such details/information as may be required to determine the ‘Material Subsidiaries’.

4. POLICY AND PROCEDURE

a. Corporate Governance Requirements with respect to Subsidiary of the Company

- i. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
- ii. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company at regular intervals.
- iii. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not. Only for the purposes of this point, notwithstanding anything to the contrary contained in regulation 16 (1)(c), the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- iv. 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 SEBI Listing Regulations.

b. Significant transactions / arrangements of material subsidiaries

The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary

c. Restriction on disposal of shares in 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) to less than or equal to 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 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.

d. Restriction on selling, disposal and leasing of assets of material subsidiary:

Selling, disposing and leasing of assets amounting to more than 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 within one day of the resolution plan being approved.

5. DISCLOSURES

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company's website and a weblink thereto shall be provided in the Board's report.

6. REVIEW

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

7. LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other applicable law, the provisions of such Act or Listing Regulations or applicable law shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.