



WARDWIZARD INNOVATIONS & MOBILITY LIMITED

POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES

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This policy of ***determination of Material Subsidiaries*** is governed by the applicable provisions of:

- The Companies Act, 2013 (including Rules, etc).
- The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”).

Regulations by referring to:

- *Regulation 16(1)(C),*
- *Regulation 24,*
- *Regulation 24A,*
- *Regulation 46(2)(h)*

1. INTRODUCTION

Wardwizard Innovations & Mobility Limited (“Company”) has formulated this Policy for determining **Material Subsidiary** of the Company in accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), which requires every listed company to formulate a policy for determining a “**material**” subsidiary and Regulation 46(2)(h) of the SEBI Listing Regulations which requires each listed company to publish this policy on company’s website. The Policy for Determining a Material Subsidiary (Policy) of the Company has been prepared and adopted in accordance with the SEBI Listing Regulations. The Board of Directors (“the Board”) of the Company may review and amend this policy from time-to-time.

Regulation 24 of the SEBI Listing Regulations extends certain principles of Corporate Governance to **Material Subsidiaries** of listed companies.

In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment (s), clarification (s), circular (s) etc.

2. OBJECTIVE

Besides determining the Material Subsidiaries and disclosure thereof as required by SEBI Listing Regulations and any other Laws and Regulations as may be applicable to the Company, the Policy on Material Subsidiaries (this “**Policy**”) intends to ensure governance of Material Subsidiaries by complying with Directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions or arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling or disposing or leasing of assets of such Subsidiaries by the Company.

This policy is in terms of Regulation 16(1)(c) of the SEBI Listing Regulations (including any amendments thereof).

The objective of this Policy to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries as required under of the SEBI Listing Regulations, covering the following:

- i) meaning of ‘Material’ Subsidiary
- ii) requirement of Independent Director in certain Unlisted Material Subsidiaries.
- iii) Restriction on disposal of shares of Material Subsidiary
- iv) Restriction on transfer of assets of Material Subsidiary
- v) Secretarial audit by Material Unlisted Subsidiaries incorporated in India; and
- vi) Disclosure requirements as prescribed under SEBI Listing Regulations.

3. DEFINITION

“Act” means Companies Act, 2013 (“Act”) and Rules made thereunder, including any amendments or modifications thereof.

“**Audit Committee or Committee**” means the “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of the SEBI Listing Regulations and the Act.

“Board of Directors or Board” shall mean the Board of Directors of the Company.

“Company” means Wardwizard Innovations & Mobility Limited

“Holding Company” in relation to one or more other companies, means a company of which such companies are subsidiary companies.

“Independent Director” means a Director of the Company who is appointed as per SEBI Listing Regulations and the Act.

“Policy” means this Policy as amended from time to time.

“Subsidiary” shall mean a subsidiary as defined under Section 2(87) of the Act and Rules made thereunder.

“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.

“Material Subsidiary” shall mean a subsidiary whose turnover or net worth exceeds ten percent (10%) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year, is in terms of Regulation 16(1)(c) of the SEBI Listing Regulations.

“Unlisted Material Subsidiary” means an unlisted material subsidiary, incorporated in India or not, whose Turnover or net worth exceeds twenty percent (20%) of the consolidated Turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, is in terms of Regulation 24 of the SEBI Listing Regulations.

“Significant Transaction or Arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent (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, is in terms of Regulation 24 of the SEBI Listing Regulations.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

4. IDENTIFICATION OR CRITERIA OF MATERIAL SUBSIDIARY

A Subsidiary of the Company shall be considered as “Material Subsidiary” if Turnover or Net Worth of the concerned subsidiary exceeds Ten Percent (10%) of the consolidated Turnover or Net Worth respectively, of the Company and its subsidiaries, in the immediately preceding accounting year.

5. GOVERNANCE FRAMEWORK

As required under the **SEBI Listing Regulations**, the following provisions will be applicable in respect of subsidiaries of the Company.

a) Independent Director of the Company on the Board of an unlisted material subsidiary:

At least one Independent Director on the Board of Directors of the Company shall be a director on the Board of Directors of the unlisted material subsidiary, whether incorporated in India or not.

b) Financial Statements:

The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.

c) Minutes of Unlisted Subsidiaries:

The minutes of the Board meetings of the unlisted subsidiary of the Company shall be placed at the meeting of the Board of Directors of the Company.

d) Significant Transactions / Arrangements:

The Management of the unlisted subsidiary shall periodically 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) Restriction on disposal of shares by the Company:

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% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment is 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.

f) Restriction on disposal of assets:

Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company by way of a 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.

g) Secretarial Audit by material unlisted subsidiary incorporated in India:

Pursuant to Regulation 24A(1) of **SEBI Listing Regulations**, Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.

6. POLICY REVIEW OR AMENDMENTS

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

7. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Act or Rules made thereunder, **SEBI Listing Regulations** or Rules made thereunder, and the Listing Regulations, the provisions of the Act/Rules, **SEBI Listing Regulations** /Rules and Listing Regulations shall prevail.

8. INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning as prescribed in the Act or Rules made thereunder, **SEBI Listing Regulations** or rules and regulations made

thereunder, or any other relevant legislation/law applicable to the Company. In case of any conflict between the law and the policy, the law shall prevail.

9. DISSEMINATION OF THE POLICY

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

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