

POLICY ON MATERIAL SUBSIDIARIES

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Aragen Life Sciences Limited
Policy on Material Subsidiaries

1. Introduction

This Policy will be used to determine the material listed and unlisted subsidiaries of Aragen Life Sciences Limited (“**Company**”) and to provide the governance framework for such subsidiaries, in compliance with the Regulation 16 (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).

2. Definitions

Words and expressions used in this Policy, except specifically defined hereafter, shall have the 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. The definitions of Material Subsidiary and Significant transaction or arrangement as contained in the Listing Regulations are reproduced below.

“**Audit Committee**” means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 and SEBI Regulations.

“**Material Subsidiary**” shall mean a subsidiary, whose income or net worth 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 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 immediate preceding accounting year.”

“**Unlisted Subsidiary**” means a subsidiary company whose securities are not listed on any recognized Stock Exchanges.

3. Policy and Procedure

- 1) At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary of the Company whether incorporated in India or not. For the purposes of this provision, 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 ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year as per Regulation 24 of the Listing Regulations.
- 2) The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary of the Company.
- 3) The minutes of the Board meetings of the Unlisted Subsidiary of the Company shall be placed at the Board meetings of the Company at regular intervals.
- 4) The Board shall be provided periodically with a statement of all Significant transactions and arrangements entered into by the Unlisted Subsidiary of the Company.

- 5) The following in respect of the Material Subsidiary of the Company shall require prior approval of the shareholders by way of special resolution:
 - a. Selling or disposing of shares in its Material Subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50%; or cease the exercise of control over the subsidiary; and
 - b. Selling, disposing, or leasing of assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year, except in cases where such a sale/disposition/lease 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.
- 6) The Company and its material unlisted subsidiaries incorporated in India, shall undertake Secretarial Audit every year and the Company shall annex with its Annual Report the Secretarial Audit Reports of the Company and its material unlisted subsidiaries incorporated in India.

4. General

A. 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 web link thereto shall be provided in the Board's report.

B. Applicable Law to prevail over the Policy

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 any other statutory enactments, rules shall prevail over this Policy.

C. Amendments

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary. Any subsequent amendment/modification in the Listing Regulations, Act, and/or applicable laws in this regard shall automatically apply to this Policy.

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