
DETERMINING MATERIAL SUBSIDIARY POLICY



Standard Capital
Markets Limited

STANDARD CAPITAL MARKETS LIMITED

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Determining Material Subsidiary Policy

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1. Policy Statement

1.1. The Board of Directors (the "Board") of Standard Capital Markets Limited (hereinafter referred to as the "Company" or "Standard Capital ") has adopted this Policy, along with the accompanying procedures, pertaining to the identification and determination of Material Subsidiaries as defined herein. This Policy has been formulated in accordance with Regulation 16(1)(c) of the *Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 (last amended on 22 January 2026)*, which mandates that every listed company shall establish a policy for determining its material subsidiaries.

- 1.2. Standard Capital is obligated to publish this Policy on its official website, and a corresponding web link shall be included in the Annual Report.

2. Purpose

- 2.1. The purpose of this Policy is to identify the material unlisted Subsidiaries of Standard Capital and to establish an appropriate governance framework applicable to such subsidiaries.

3. Definitions

- 3.1. “Audit Committee” means “Audit Committee” constituted by the Board of Directors of the Company under the provisions of Listing Regulations and the Companies Act, 2013, from time to time.
- 3.2. “Statutory Auditors (SAs)” mean auditors appointed as per the policy to conduct a statutory audit of the Standard Capital Markets Limited.
- 3.3. “Subsidiary Company” or “Subsidiary” means subsidiary company as defined in section 2 (87) of the Companies Act, 2013, which is as under:

A company in which the holding company—

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers

of subsidiaries beyond such numbers as may be prescribed.

- 3.4. “Independent Directors” means Directors who has been appointed by the Company in terms of Section 149 of Companies Act, 2013 and Regulation 16 of Securities

Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

- 3.5. “Material Subsidiary” means a subsidiary of the company that meets the criteria for being considered "material" as defined under the applicable laws and regulations, such as the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015. A subsidiary may be considered material if:
- 3.5.1. Its income or net worth exceeds a specified percentage of the parent company’s consolidated income or net worth (as defined by SEBI or the applicable regulation).
 - 3.5.2. It has a significant impact on the overall financial or operational performance of the parent company.

4. Criteria for determining Material Subsidiary

- 4.1. A Subsidiary shall be considered as material if its turnover or net worth exceeds 10% (ten per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

5. Governance Requirements

- 5.1. One Independent Director of the Standard Capital shall be a director on the Board of the Material Subsidiary.
- 5.2. The management shall submit to the Audit Committee the list of such subsidiaries along with the details of the materiality as outlined in this policy on an annual basis. The Audit Committee shall review the same and make suitable recommendations to the Board, including recommendations for the appointment of an Independent Director for the Material Subsidiary.

- 5.3. The Audit Committee of the Board of the Standard Capital shall review the financial statements, with a focus on the investments made by the material subsidiary.
- 5.4. The minutes of the Board Meetings of the material subsidiary company shall be presented before the Board of the Company.
- 5.5. Review of Significant transaction and arrangements entered into by Unlisted Subsidiary Company The management of the unlisted subsidiary shall periodically bring to the attention of the Board, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company. For the purpose of this sub-clause, the term “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.

6. Restriction on Disposal of Material Subsidiary

- 6.1. Standard Capital, without the prior approval of the members by Special Resolution, shall not:
 - 6.1.1. Dispose of shares in Material Subsidiaries either independently or along with other subsidiaries that reduce its shareholding to less than or equal to 50%
 - 6.1.2. Relinquish control over the Material Subsidiary
 - 6.1.3. Sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary.

7. Disclosure

- 7.1. This board-approved policy shall be disclosed on the website of the Standard Capital and its web link shall be provided in the annual report of the company.

8. Approval, Review & Update

- 8.1. This Policy is approved by the Board of the Company and further shall be reviewed by the Board of Standard Capital as and when any changes are to be incorporated in the Policy due to changes in applicable law or regulation, or updated accordingly.
- 8.2. The Board of Directors may amend any of the provisions of this Policy, substitute any of the provisions with a new provision, or replace this Policy entirely with a new Policy.