SUNTECK REALTY LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Purpose and Scope:

The Company is required to formulate a policy for determining 'material' subsidiary in terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Board of Directors has adopted the below mentioned policy for determining the material subsidiary.

2. Definitions:

"Audit Committee" means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act and Regulation 18 of Listing Regulations.

"**Companies Act**" means the Companies Act, 2013 read with the rules thereunder, as amended.

"Control" shall have the same meaning as assigned to it under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"**Independent Director**" means an independent director referred to in Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the Listing Regulations.

"**Material Subsidiary**" means a Subsidiary shall be considered as Material Subsidiary if it fulfils the conditions for being classified as Material Subsidiary as mentioned in this Policy.

"Net Worth" means net worth as defined under of Section 2(57) of the Companies Act.

"**Significant Transaction or Arrangement**" as per Explanation to Regulation 24(4) of the Listing Regulations 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.

"Subsidiary" means a subsidiary as defined under Section 2(87) of the Companies Act.

3. Identification of Material Subsidiary:

A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

a) the turnover of the subsidiary exceeds 10% of the Company's consolidated turnover in the immediately preceding accounting year; or
b) the net worth of the subsidiary exceeds 10% of the Company's consolidated net worth in the immediately preceding accounting year.

4. Requirements with respect to subsidiary of listed company:

a. At least 1 (one) Independent Director of the Company shall be a director on the Board of the unlisted Material Subsidiary company, whether incorporated in India or not. Material Subsidiary, for the purpose of this clause, means a Subsidiary whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company in the immediately preceding accounting year.

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

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

d. It shall be periodically brought to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiaries.

5. Restrictions on the Company with respect to material subsidiary:

The Company shall not, without the prior approval of the members by special resolution:

a. Dispose of shares in material subsidiary that reduces the Company's shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or ceases the exercise of Control over the material subsidiary;

Or

b. Sell, dispose or lease out the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

Approval of members shall not be required for the above mentioned cases, if such divestment, 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.

6. Review and/ or amend the Policy:

The Policy may be reviewed and/or amended by the Board of Directors or the Audit Committee as and when required to ensure that it meets the objectives of the Statutory Provisions and remains effective.

In case of any conflict between the provisions of this Policy and of Statutory Provisions, the Statutory Provisions shall prevail over this Policy. Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this Policy.

7. Disclosures:

This Policy will be disclosed on the Company's website and web link thereto shall be provided in the Annual Report of the Company.

(Last amended on 02nd May, 2025)