



POPULAR ESTATE MANAGEMENT LIMITED
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POLICY ON DETERMINATION OF
MATERIALITY SUBSIDIARIES

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1. PREFACE

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") requires Listed Company to formulate a policy for determining 'material' subsidiary.

1. Regulation 24 of the Regulations requires the listed entity to make a disclosure of policy for determining 'material' subsidiaries of the entity.

2. PURPOSE

This policy has been framed to abide by the Regulations of Listing (Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred as "the Regulations") and to put in place an appropriate framework for this purpose by the Company.

3. APPLICABILITY

"Subsidiary Company" or "Subsidiary" in relation to any other company (that is to say the Holding Company), means a company in which the Holding Company:

- I. controls the composition of the Board; 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.

Explanation- For the purpose of this definition:-

- a) A company shall be deemed to be a Subsidiary company of the Holding Company even if the control referred to in clause (i) or (ii) above is of another Subsidiary company of the Holding Company;
- b) The composition of a company's Board shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the Directors.

The term "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 shareholders agreements or voting agreements or in any other manner. (Section 2 (27), of the Act)

"Material subsidiary" shall mean a subsidiary, 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. Explanation.-The listed entity shall formulate a policy for determining 'material' subsidiary.

4. DISCLOSURE PROCESS

This Policy shall be disclosed on the website of the Company.

5. AUTHORITY FOR APPROVAL OF POLICY

The Board shall have the authority for approval of this policy in pursuance to this Regulation.

6. AUTHORITY TO MAKE ALTERATIONS TO THE POLICY

The Policy shall be reviewed and modified by the Board so as to align the same with the amendments or to incorporate the changes as may be felt appropriate.

The Board is authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall be in consonance with the provisions of the Acts and Regulations.

7. EFFECTIVE DATE

The policy will be effective with effect from the date of approval by the Board.

8. DISCLAIMER

Nothing contained in this Policy shall operate in derogation of any law for the time being in force or of any other regulation in force.

In any circumstance where the terms of this Policy differ from any applicable law governing the Company, such applicable law will take precedence over this Policy and procedures until such time as this Policy is modified in conformity with the Applicable Law.

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