

ADVANCE MULTITECH LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Approved by	Board of Directors
Remarks, if any	-

I. OBJECTIVE AND SCOPE:

Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”), requires a company to formulate a policy to determine its “Material Subsidiaries”.

Accordingly, **Advance Multitech Limited** (“Company”) has formulated Policy for Determining Material Subsidiary (“Policy”) which sets out the criteria for determination of material subsidiaries of the Company and provides a governance framework for such determination in line with the requirements of the Regulations 16, 24 and other applicable regulations of the LODR.

II. DEFINITIONS:

In this Policy, unless there is anything repugnant to the subject or context thereof, the capitalized terms listed below shall have the following meanings:

“**Subsidiary**” or “**subsidiaries**” shall have the same meaning as assigned to the term under the Companies Act, 2013 and the Rules made thereunder, as amended, re-enacted and repealed from time to time.

“**Turnover**” for the purpose of this Policy shall mean the aggregate value of the realization of amount made from the sale, supply or trading or distribution of goods or on account of services rendered, or both, by the Company during a financial year.

The terms and expressions used in this Policy but not defined herein shall have the same meaning as assigned to those terms under the LODR, the Companies Act, 2013, the Securities Contracts (Regulations) Act, 1956 or any other applicable laws or regulations, as the case may be.

III. CRITERIA FOR DETERMINATION OF MATERIAL SUBSIDIARY:

Based on the audited annual consolidated financial statements of the Company and the audited financial statements of its subsidiaries for the immediately preceding accounting year, a subsidiary of the Company shall be treated as a ‘material subsidiary’ if:

- a. The turnover of such subsidiary exceeds ten percent of the consolidated turnover of the Company and its subsidiaries; or
- b. The net worth of such subsidiary exceeds ten percent of the consolidated net worth of the Company and its subsidiaries.

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All the Key Managerial Personnel (“KMP”) of the Company, from time to time, are severally authorized by this Policy to determine within reasonable timeframe whether a subsidiary has become a material subsidiary as per this Policy and LODR, and to do and take all necessary and incidental acts, steps, etc. in relation and pursuant thereto.

IV. COMPLIANCES TO BE ENSURED PURSUANT TO DETERMINATION OF A MATERIAL SUBSIDIARY:

Once a subsidiary has been determined as “material subsidiary”, the necessary implications thereof shall follow and the adherence to the compliances with the relevant SEBI regulations and circulars (as amended from time to time) shall be observed by the Company Secretary of the Company.

IV. LAWS TO TAKE PRECEDENCE AND AMENDMENT:

If any of the provisions of this Policy are inconsistent with the applicable laws, then the provisions of applicable laws shall prevail over the Policy to that extent and the Policy shall be deemed to have been amended so as to be read in consonance with applicable laws.

As this Policy is pursuant to the applicable laws, if any change to applicable laws or interpretation thereof necessitates any change to the Policy, then this Policy shall be read so as to accommodate the changes. The KMP will review the Policy to give effect to above, as and when need arises, till such time as the Board of Directors makes the necessary changes to the Policy.

The Board of Directors of the Company shall make such alterations to this Policy as and when necessitated or as deemed fit, provided they are not inconsistent with the provisions of the applicable laws.

V. REVIEW OF THE POLICY:

The Policy would be reviewed by the Board of Directors once in two years or as and when required.

VI. DISSEMINATION OF POLICY:

This Policy shall be hosted on the website of the Company. A link thereto shall be provided in the Annual Report of the Company.