

POLICY FOR DETERMINING MATERIALITY OF SUBSIDIARIES

[Pursuant to Regulation 16(1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]



Laser Power & Infra Limited

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1. Introduction and Objective

In accordance with regulation 16(1) (c) of the Sebi (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“**Listing Regulations**”), this policy outlines the manner in which the Company will identify its material” subsidiaries and also prescribes certain governance requirements which need to be adhered to by the Company with respect to management of its material subsidiary.

2. Effective Date

This Policy is effective from 17th September, 2025

3. Definitions

“**Audit Committee**” means Audit Committee constituted by the Board of Directors of the Company, from time to time, under Section 177 of the Companies Act, 2013 (“**Act**”) and the Listing Regulations.

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Independent Director**” means an independent director of the Company appointed in accordance with the Companies Act 2013 and who satisfies other criteria for independence as laid down under Schedule IV of the Act read with Regulation 16(b) of the Listing Regulations

“**Policy**” means this Policy on Material Subsidiary.

“**Subsidiary**” shall mean a subsidiary as defined under section 2 (87) of the Companies Act 2013.

Unless otherwise defined in this Policy, capitalized terms used in this Policy shall have the meaning assigned to them in the Act or the Listing Regulations.

4. Threshold for determining ‘Material’ Subsidiaries

In accordance with Regulation 16(1)(c) of the Listing Regulations, a material subsidiary shall mean a subsidiary whose turnover or net worth exceeds 10 % (Ten percent) of the consolidated turnover or net worth, respectively of the Company and its subsidiaries in the immediately preceding accounting year.

5. Governance Framework

- a) The Board of Directors shall determine and verify whether any subsidiary of the Company is a material subsidiary as specified above after the end of each financial year.

- b) At least one Independent Director on the Board of Directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

Explanation - For the purposes of Corporate Governance Requirement with respect to subsidiary of the Company pursuant to Regulation 24 of LODR, notwithstanding anything to the contrary contained in Regulation 16 of the SEBI Listing Regulations, the term “Material Subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% (Twenty percent) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- c) The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary.
- d) The Minutes of the board meetings of the unlisted subsidiary shall be placed before the Board of Directors.
- e) The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Explanation.- For the purpose of this regulation, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10 % (Ten percent) 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.

- f) The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50 % (fifty percent) or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment 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.
- g) Selling, disposing and leasing of assets amounting to more than 20 % (Twenty percent) of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the 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.

Provided Nothing contained in clause 6 above shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

- h) Where the Company has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
- i) The Material Unlisted Subsidiary incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the Annual Report of the Company.

6. Amendment to this Policy

The Board of Directors may as per the recommendations of Audit Committee amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant Statutory authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

7. Disclosure of the Policy

The Company shall disclose the details of this Policy in its Annual's Report as required under the Listing Regulations. This Policy shall be disclosed on the website of the Company at www.laserpowerinfra.com and the web link shall be provided in the annual report, in pursuance of Regulation 46(2)(h) of the Listing Regulations.