



POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Regulatory Reference	Regulation 16(1)(c) & Regulation 24 of SEBI (LODR) Regulations 2015
Companies Act Reference	Sections 129, 134 & 136 of Companies Act 2013

1. Preamble

This Policy for Determining Material Subsidiary ('Policy') has been formulated by Prompt Corporate Services Limited ('PCSL' or 'the Company') pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy lays down the criteria and framework for determining the material subsidiaries of the Company and provides for governance requirements applicable to such subsidiaries.

2. Definitions

- 'Subsidiary' shall have the meaning ascribed to it in the Companies Act, 2013.
- 'Material Subsidiary' means a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively of the listed holding company and its subsidiaries in the immediately preceding accounting year.
- 'Unlisted Material Subsidiary' means a material subsidiary that is not listed on any recognized stock exchange.

3. Criteria for Determining Material Subsidiary

A subsidiary shall be considered a 'Material Subsidiary' of PCSL if any of the following criteria is satisfied based on the audited consolidated financial statements of the Company for the immediately preceding accounting year:

- The income of the subsidiary exceeds 10% of the consolidated income of PCSL and its subsidiaries.
- The net worth of the subsidiary exceeds 10% of the consolidated net worth of PCSL and its subsidiaries.

The Company shall review this determination annually, at the time of adoption of the financial results.

4. Corporate Governance for Material Subsidiaries

4.1 Board Representation

At least one Independent Director of PCSL shall be a director on the Board of each unlisted material subsidiary.

PROMPT CORPORATE SERVICES LTD.

Shalini Singhaia
Director



4.2 Audit Committee Oversight

The Audit Committee of PCSL shall review the financial statements, in particular the investments made by the material subsidiary. The minutes of the Board meetings of the material subsidiary shall be placed at the Board meeting of PCSL.

4.3 Significant Transactions

PCSL 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 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting.

5. Disclosure

PCSL shall disclose the names of material subsidiaries in its Annual Report and on its website, as required under SEBI LODR Regulations. Any change in this Policy shall be disclosed at the Board meeting where such changes are made.

PROMPT CORPORATE SERVICES LTD.
Shalini Singhaia
Director