



# **STRIDES PHARMA SCIENCE LIMITED**

## **POLICY FOR GOVERNANCE OF SUBSIDIARIES**

## 1 PREAMBLE

The Board of Directors of Strides Pharma Science Limited has adopted the following policy and procedures with regard to governance of Subsidiaries in line with Regulation 24 of the Listing Regulations.

## 2 DEFINITIONS

- a) “**Act**” shall mean the Companies Act, 2013 read with the relevant Rules framed thereunder and amended from time to time.
- b) “**Audit Committee or the Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act read with Regulation 18 of the Listing Regulations.
- c) “**Board**” shall mean the Board of Directors of the Company.
- d) “**Company**” shall mean Strides Pharma Science Limited.
- e) “**Independent Director**” mean a director of the Company who satisfies the criteria for independence under Section 149 (6) of Act read with Regulation 16(1)(b) of the Listing Regulations.
- f) “**Material Subsidiary**” mean a subsidiary of the Company whose income or net worth exceeds **ten percent**<sup>1</sup> of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- g) “**Subsidiary**” mean a subsidiary as defined under Section 2(87) of the Act and the Rules framed thereunder.
- h) “**Listing Regulations**” shall mean The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.

## 3 FRAMEWORK FOR GOVERNANCE OF SUBSIDIARIES

- 1) **The Audit Committee** shall review the financial statements, in particular, the investments made by the subsidiaries of the Company.
- 2) <sup>2</sup>**The Audit Committee** shall also review utilization of loans and/ or advances from/ investment by the Company in the subsidiaries exceeding Rs. 100 crores or 10% of the asset size of the such subsidiaries, whichever is lower.

---

<sup>1</sup> Substituted for the word twenty with effect from April 1, 2019

<sup>2</sup> Effective April 1, 2019

- 3) **Minutes of the Board Meetings** of the subsidiary company shall be placed at the Board meeting of the Company. The management of the subsidiary company shall periodically bring to the notice of the Board of Directors of the Company a statement of all significant transactions and arrangements entered into by the subsidiary company.

*For this purpose, the term “significant transaction or arrangement” 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 subsidiary for the immediately preceding accounting year.*

4) **Governance of Material Subsidiaries**

<sup>3</sup>At-least one Independent Director of the Company shall be a director on the Board of the unlisted Material Subsidiary, whether incorporated in India or not.

*For the purpose of appointment of Independent Director, the term Material Subsidiary shall mean a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.*

5) **Without prior approval of its shareholders by way of special resolution, the Company shall not:**

- i. dispose its shares in the Material Subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- ii. cease the exercise of control over the subsidiary; or
- iii. sell, dispose and lease of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year

unless such disposal of share/ cessation of control/ 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) The Company and its material unlisted subsidiaries incorporated in India shall undertake **secretarial audit** and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified with effect from the year ended March 31, 2019.

---

<sup>3</sup> Effective April 1, 2019

#### **4 DISSEMINATION OF THE POLICY**

This Policy shall also be disclosed on the website of the Company and a web link thereto shall be provided in its Annual Report.

#### **5 POLICY REVIEW**

The policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

\*\*\*\*\*