

# PREMIER ROAD CARRIERS LIMITED

## POLICY ON MATERIAL SUBSIDIARIES

### 1. Purpose of this policy:

As per Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as SEBI Listing Regulations), a listed entity is required to frame a policy for material subsidiary companies.

The Board of Directors (**the "Board"**) of the Company has adopted the policy and procedures for determining 'material' subsidiary companies ("**Policy**") in accordance with the provisions of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 2. Policy Objective

This objective of the Policy is to determine the Material Subsidiaries and Material Non listed Indian Subsidiary of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("Act") and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

### 3. DEFINITIONS

**A. "Audit Committee or Committee"** means Audit Committee constituted by the Board of Directors of the Company under the provisions of Listing Regulations, 2015 and the Companies Act, 2013, from time to time.

**B. "Board of Directors" or "Board"** means the Board of Directors of Premier Road Carriers Limited, as constituted from time to time.

**C. "Company"** means Premier Road Carriers Limited.

**D. "Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**E. "Independent Director"** means an Independent Director referred to in section 149(6) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.

**F. "Management"** means the Key Managerial Personnel of Premier Road Carriers Limited.

**G. "Policy"** means policy on Material Subsidiaries.

**H. "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 material unlisted subsidiary for the immediately preceding accounting year.

**I. "Subsidiary"** means subsidiary company as defined under section 2(87) of the Companies Act, 2013 and the rules made thereunder.

## 4. SCOPE & APPLICABILITY

- A.** The Subsidiary shall be considered as “Material” if its income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- B.** In case if a listed holding company has a listed subsidiary, the policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

## 5. POLICY

- A.** The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
- B.** The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- C.** The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant Transactions or Arrangements entered into by the unlisted subsidiary.
- D.** The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.
- E.** 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 this provision, notwithstanding anything to the contrary contained in regulation 16 of the Listing Regulations, 2015, 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 Company and its subsidiaries in the immediately preceding accounting year.

- F.** The Company’s 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.

- G.** The Company shall not without the prior approval of the Shareholders by way of Special resolution:

- 1.** 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% or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal / Company Law Board or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- 2.** Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year unless the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court / Tribunal / Company Law Board or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

### 6. DISCLOSURES

This Policy shall be disclosed on the Company's website at <https://www.prclimited.co.in/> and a web link thereto shall be disclosed in the Annual Report of the Company.

### 7. AMENDMENTS TO THE POLICY

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not 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.

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