

**STRIDES PHARMA SCIENCE LIMITED**

**POLICY FOR GOVERNANCE OF  
SUBSIDIARIES**

## 1 PREAMBLE

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

## 2 DEFINITIONS

- a) “**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b) “**Audit Committee or the Committee**” shall mean the Committee of the Board constituted from time to time in accordance with the provisions of 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 or Listed Company**” shall mean Strides Pharma Science Limited.
- e) “**Independent Director**” shall 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) “**Subsidiary**” shall mean a subsidiary as defined under Section 2(87) of the Act and the Rules framed thereunder.
- g) “**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.

*Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Act or Rules made thereunder, Listing Regulations or any other relevant legislations or law applicable to the Company.*

## 3 FRAMEWORK FOR GOVERNANCE OF MATERIAL SUBSIDIARIES

### I) Review of list of Material Subsidiaries

Material Subsidiaries of the Company assessed based on the prescribed criteria, on an annual basis, shall be placed before the Committee for their review, basis which the Committee shall identify Material Subsidiaries for the financial year.

*For the above purpose, the term Material Subsidiary shall mean a subsidiary whose turnover or net worth exceeds **ten percent** of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.*

## **II) Appointment of Independent Directors on the Board of Material Subsidiaries**

At-least one Independent Director of the Company shall be a director on the Board of Company's unlisted Material Subsidiary, whether incorporated in India or not.

*For the above purpose, the term Material Subsidiary shall mean a subsidiary whose turnover or net worth exceeds **twenty percent** of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.*

## **III) Disposal of shares or assets of Material Subsidiary**

Prior approval of shareholders by way of **special resolution** to be taken for:

- a. Disposal of shares in the Material Subsidiary resulting in reduction of its shareholding to less than or equal to 50% (either on its own or together with other subsidiaries) OR cease the exercise of control over the subsidiary; OR
- b. Sale, disposal and lease of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year.

However, shareholders' approval is not applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

Provided that the provisions of Para 3(III) (a) & (b) shall not be applicable if the divestment or sale or disposal or 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.

## **IV) Secretarial Audit**

Material unlisted subsidiary of the Company incorporated in India shall undertake secretarial audit by a Secretarial Auditor who is a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report, with the Annual Report of the Company.

## **4 FRAMEWORK FOR GOVERNANCE OF SUBSIDIARIES IN GENERAL**

- 1) The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiaries of the Company.
- 2) The Audit Committee shall approve/ review the transactions undertaken by the Company or its subsidiaries with the related parties, in terms of the Company's Policy for Governance of Related Party Transactions.
- 3) Minutes of Board Meetings of the unlisted subsidiary companies of the Company shall be placed at the meeting of the Board of the Company.

- 4) Management of the unlisted subsidiary companies shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions and arrangements entered into by such subsidiary companies.

*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 unlisted subsidiary for the immediately preceding accounting year.*

## **5 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.

## **6 POLICY REVIEW**

The Board may, based on the recommendations of the Audit Committee, may make any amendments to this Policy from time to time.

In case of any subsequent changes in the provisions of the Act and the Listing Regulations, which makes any of the provisions in this Policy inconsistent, the provisions of the Regulations would prevail over this Policy and the provisions in the Policy would be modified in due course to make it consistent with the Regulations.

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