

## **POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARY**

**EFFECTIVE DATE:** The Policy shall come into effect on: **January 7, 2026**

### **INTRODUCTION:**

This policy is formulated for determining Material Subsidiary of Laxyo Limited (Formerly Laxyo Energy Limited) ("Company") in accordance with Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and the policy is required to be publish on company's website in accordance with Regulation 46 of LODR Regulations.

### **DEFINITIONS:**

- a) "Act"** means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- b) "Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company, from time to time in accordance of the applicable laws/rules/regulations.
- c) "Board of Directors"** shall mean the Board of Directors of the Company.
- d) "Company"** means Laxyo Limited (Formerly Laxyo Energy Limited).
- e) "LODR Regulations"** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- f) "Net Worth"** shall have the meaning as defined under Section 2(57) of the Act.
- g) "Subsidiary/Subsidiary Company"** means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.
- h) "SEBI"** means the Securities and Exchange Board of India.
- i) "Stock Exchange(s)"** means stock exchanges where the Equity Shares of the Company are listed.

All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any other applicable law or regulation to the extent applicable to the Company.

### **CRITERIA FOR DETERMINING THE MATERIAL SUBSIDIARIES:**

Pursuant to Regulation 16(1) (c) of LODR Regulations, "Material Subsidiary" means 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.

### **INDEPENDENT DIRECTOR ON THE BOARD OF AN UNLISTED MATERIAL SUBSIDIARY:**

At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

Provided that for purposes of the above requirement, notwithstanding anything contrary contained in this policy, pursuant to Regulation 24 of the LODR Regulations, "Material Subsidiary" means 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.

### **RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY:**

Pursuant to Regulation 24(5) of LODR Regulations 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 fifty percent (50%) 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.

### **RESTRICTION ON DISPOSAL OF ITS ASSETS OF MATERIAL SUBSIDIARY:**

Pursuant to Regulation 24(6) of LODR Regulation selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of a Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of

the Company 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.

However, if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the company, then criteria of Regulation 24(6) of LODR is not applicable.

#### **OTHER CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARY OF THE COMPANY:**

- a)** The Audit Committee of the company shall also review the financial statements, including those of the unlisted subsidiaries in accordance of Regulation 24(2) of LODR Regulation.
- 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 in accordance with Regulation 24(3) of the LODR Regulations.
- 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 and arrangements entered into by the unlisted subsidiary in accordance with Regulation 24(4) of the LODR Regulations.

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 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.

#### **SECRETARIAL AUDIT BY MATERIAL UNLISTED SUBSIDIARIES INCORPORATED IN INDIA:**

Pursuant to Regulation 24A of LODR Regulations the material unlisted subsidiary of the company 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. Further material subsidiary shall comply all other requirement of the said regulation.

## **DISCLOSURE:**

The Policy for determining Material Subsidiaries shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

## **LIMITATION AND AMENDMENT:**

In the event of any conflict between the provisions of this Policy and of the Act or LODR Regulations or any other statutory enactments, rules, the provisions of such Act or LODR Regulations or statutory enactments, rules shall prevail over this Policy.

Any subsequent amendment / modification in the LODR Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

Further the board (including its duly constituted committee wherever permissible) shall review the policy on a regular basis, and they shall have power to amend, substitute, replace any of the provisions of this policy/ or the entire policy.