

TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED
POLICY FOR DETERMINING MATERIAL SUBSIDIARY

(Pursuant to Regulation 16(1) (c) and Regulations 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. Introduction

This Policy for Determining Material Subsidiary ("Policy") is formulated in accordance with Regulation 16(1)(c) and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), as amended from time to time. The Policy aims to ensure governance and oversight of material subsidiaries of Twentyfirst Century Management Services Limited.

2. Objective

- To define the criteria for determining a material subsidiary.
- To ensure compliance with corporate governance requirements for material subsidiaries.
- To establish a framework for monitoring and reporting.

3. Definitions

- a. Audit Committee means the committee constituted by the Board of Directors of the Company under the provisions of the Companies Act, 2013.
- b. "Board of Director" or "Board" means the Board of Directors of Twentyfirst Century Management Services Limited, as constituted from time to time.
- c. "Independent Director" means a director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the SEBI LODR.
- d. "Policy" means a policy on material subsidiary.
- e. "Subsidiary Company" shall be defined under the Companies Act 2013 and the Rules made thereunder.
- f. "Material Subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds 10 % of the Consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

4. Criteria for Determining:

A subsidiary shall be considered a Material Subsidiary if:

- Its turnover or net worth exceeds 10% of the consolidated turnover or net worth of the Company and its subsidiaries in the immediately preceding financial year.

However, for the purpose of appointment of Independent Director of the Company on the Board of Material subsidiaries, in terms of Regulation 24 (1) of the Regulations, the above ceiling shall be 20% or such other limit as may be specified in the Regulations instead of 10%.

5. Governance Framework

- Independent Director on the Board: At least one Independent Director of the listed entity shall be appointed as a director on the Board of an unlisted Material Subsidiary incorporated in India.



6. Monitoring & Compliance

- The Audit Committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- 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 listed entity.
- The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
 - **Explanation-** 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
- Restrictions on Disposal:
 - The listed entity shall not dispose of shares in a Material Subsidiary, reducing its shareholding to less than or equal to 50% or losing control without prior approval of shareholders (except where divestment is under a court-approved scheme).
 - Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders 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 listed Company.

7. Listed Subsidiary Company

- Where a listed holding Company has a listed subsidiary which is itself a holding Company, the above provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

8. Review & Amendments

- This Policy shall be reviewed periodically and amended as per regulatory requirements and best practices.
- Any changes to this Policy shall be approved by the Board of Directors.

This policy is amended and approved by the Board of Directors at their meeting held on 27.05.2026.

