

VOLER CAR LIMITED

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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**[As per Schedule IV of the Companies Act, 2013 “the Act”]****1. PREAMBLE:**

The Board of Directors of Voler Car Limited (the “Company”) adopted the following policy and procedures with regard to determination of material subsidiaries. This Policy shall be called ‘Policy for Determining Material Subsidiaries’ (the “Policy”). Pursuant to Regulation 16(1) (C) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment made there to on time to time.

2. OBJECTIVE / LEGAL FRAMEWORK:

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries. The Regulation 24 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended (the “Listing Regulations”) extends certain principle of corporate governance to material subsidiaries of listed Companies. The Board of Directors of Voler Car Limited (the “Company”) is obliged to formulate a policy for determining “material subsidiaries” to comply with the requirements of the Listing Regulations for such material subsidiaries.

3. DEFINITIONS:

“Audit Committee” shall have the meaning ascribed to such term under section 177 of the Companies Act, 2013;

“Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.

“Company” means Voler Car Limited.

“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 Listing Regulations with the Stock Exchanges.

“Policy” means this Policy, as amended from time to time.

“Subsidiary” shall mean a subsidiary as defined under section 2(87) the Companies Act, 2013. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

4. IDENTIFICATION OF MATERIAL SUBSIDIARY:

A subsidiary shall be considered as material, whose turnover or net worth exceeds 10% of consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year (“material subsidiary”).

However, a subsidiary shall be considered as material for the purpose of clause 1 of regulation 24 of SEBI (Listing obligation and disclosure requirements) Regulation, 2015, whose turnover or net worth exceeds 20% of consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year (“specific

material subsidiary”).

A list of such material subsidiaries and specific material subsidiaries shall be placed before the Audit Committee on annual basis for its review and noting.

“Material subsidiary” and “Specific material subsidiary” of the Company would be identified, if any, as one-time exercise and such exercise shall be done during each financial year and the conclusion placed before the Audit committee and the Board of the Company. The identification shall be exercised soon after preparation of annual accounts and the outcome shall be placed before the audit committee or the Board, as the case may be, in the meeting where the Annual Audited accounts of the Company are considered.

5. REQUIREMENTS REGARDING A MATERIAL SUBSIDIARY:

5.1 The Company, without passing a special resolution in its General Meeting, shall not: -

- (i) dispose shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- (ii) dispose shares in its material subsidiary which would cease the exercise of control over the subsidiary or
- (iii) sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year, unless, in cases where the divestment/ sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

5.2 The minutes of the meetings of the board of directors of the Material Subsidiary shall be placed at the Board meetings of the Company. The attention of the Board, a statement of all Significant Transactions or arrangements entered into by the Material Subsidiary.

6. REQUIREMENTS REGARDING LISTED SUBSIDIARY:

If the Company at any time has a listed Subsidiary, which is itself a holding Company, the Provisions of the SEBI Listing Regulations shall apply to the Listed Subsidiary in so far as its Subsidiaries are concerned.

7. SPECIFIC REQUIREMENTS REGARDING SPECIFIC MATERIAL SUBSIDIARY:

At least one Independent Director on the Board of the Company shall be a Director on the Board of the specific material subsidiary company.

8. REQUIREMENTS REGARDING UNLISTED SUBSIDIARY:

The Audit Committee shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary of the Company.

The minutes of the Board meetings of the Unlisted Subsidiary Company shall be placed at

the Board meeting of the Company.

The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary Company.

“Significant Transaction or Arrangement” means 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.

9. AMENDMENTS:

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

10. SCOPE AND LIMITATION:

In the event of any conflict between the provisions of this Policy and the Listing Regulations/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations/ Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

11. DISSEMINATION OF POLICY:

This policy shall be hosted on the intra - net and website of the Company and a web link thereto shall be provided in the annual report of the Company. The Policy will be reviewed on an annual basis or as and when warranted due to regulatory requirements.

I. Guidelines of professional conduct:

An Independent Director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a *bona fide* manner in the interest of the Company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective Independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
9. assist the Company in implementing the best corporate governance practices.

II. Role and functions:

The Independent Directors shall:

1. help in bringing an Independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive Directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive Directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The Independent Directors shall:

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the Company;
6. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the Company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
10. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
12. act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
13. not disclose confidential information, including commercial secrets, technologies, advertising and

sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
 - a. the term of appointment;
 - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d. provision for Directors and Officers (D and O) insurance, if any;
 - e. the Code of Business Ethics that the company expects its directors and employees to follow;
 - f. the list of actions that a director should not do while functioning as such in the company; and
 - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of Independent Director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

1. The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

1. The Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and members of management;
2. All the Independent Directors of the Company shall strive to be present at such meeting;
3. The meeting shall:
 - a. review the performance of non-Independent Directors and the Board as a whole;
 - b. review the performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors;
 - c. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

1. The performance evaluation of Independent Director shall be done by the entire Board of Directors, excluding the Director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

Note: The provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), if the requirements in respect of matters specified in these paragraphs are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government companies."

Effective Date:

This Policy is effective from 02nd August, 2024.
