

BOSCH LIMITED

POLICY ON MATERIAL SUBSIDIARY

Revision History

Version	By	Date of Approval/Revision
1.0	Board of Directors	December 03, 2014
1.2	Board of Directors	February 09, 2022

POLICY ON MATERIAL SUBSIDIARY

The Policy for determining 'Material' Subsidiaries has been framed in accordance with Regulation 16(1)(c) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Policy will be used for determining material subsidiaries and to provide governance framework for such subsidiaries. The words and expression used in this policy shall have the same meaning as assigned to them under the Companies Act, 2013, Rules and Regulations made there under and the Listing Agreement.

1. Identification of material subsidiary

A subsidiary shall be considered material if its income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

2. Governance Framework

- a. The Audit Committee of the Board of Directors of the Company shall review the financial statements particularly investment made by unlisted subsidiary company.
- b. The minutes of the Board meeting of the unlisted subsidiary company shall be placed before the Board of Directors of Company.
- c. The management shall periodically bring to notice of the Board of Directors of the Company of the significant transactions and Arrangements entered into by the unlisted subsidiary company.
- d. At least one Independent Director of the Company shall be a director on the board of the unlisted subsidiary whether incorporated in India or not, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- e. Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the listed entity.

3. Disposal of Material Subsidiary

- a. The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in a general meeting of its shareholders except in cases where such divestment is made under a scheme of arrangement duly approved by a court/tribunal
- b. Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the 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

4. Amendments

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

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