

TATA COMMUNICATIONS LIMITED

'MATERIAL SUBSIDIARY' POLICY

1) SCOPE AND PURPOSE OF THE POLICY

Clause 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing **Regulations**") requires the Company to formulate a policy for determining 'material' subsidiaries of the Company.

In accordance with the above, this 'Material Subsidiary' Policy ("**Policy**") is set out.

2) OBJECTIVE OF THE POLICY

The objective of this Policy is to set out –

- (a) identifying the materiality thresholds for considering a subsidiary as 'material'
- (b) identifying the materiality thresholds for considering an unlisted subsidiary, whether incorporated in India or not as 'material' for the purpose of appointment of Independent Director;
- (b) Corporate governance requirements with respect to material subsidiary of listed entity.

3) DEFINITIONS

- a) "Act": Act means the Companies Act, 2013 and the rules made thereunder, including any modification(s) / amendment(s) / re-enactment(s) thereof.
- b) "Listing Regulations": Listing Regulations mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification(s) / amendment(s) / re-enactment(s) thereof.
- c) "Subsidiary Company": Subsidiary Company shall be as defined in the Act.
- d) "Material Subsidiary": Material Subsidiary shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- e) Net worth: Net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013. For the purposes of this policy and the corporate governance requirements stated herein, only positive net worth of subsidiaries will be taken into consideration for determination of material subsidiary / unlisted material subsidiary.
- f) "Independent Director": Independent Director as defined under regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All the words and expressions used in this Policy, unless defined, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

4) CORPORATE GOVERNANCE REQUIREMENTS FOR MATERIAL SUBSIDIARIES

In addition to the stipulated general oversight requirements for all subsidiaries, with respect to Material Subsidiary, the Regulations prescribe the following:

- 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.

Explanation -For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the term “material subsidiary” shall mean a subsidiary, 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.

- A listed entity 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 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.
- 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.
- Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified..

5) DISCLOSURES

As prescribed by Regulation 46(2)(h) of the Listing Regulations, this Policy shall be disclosed on the Company’s website. A web link thereto shall be provided in the annual report pursuant to Schedule V of the Listing Regulations.

6) AMENDMENTS AND LIMITATIONS

If there is any amendment to the Act or Listing Regulations affecting this Policy, then the relevant amended provision of the Act or Listing Regulations will prevail over this Policy.

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations or the Act or any other relevant legislation/ regulation applicable to the Company, the provisions of the SEBI Listing Regulations or the Act or such other relevant law / regulation shall prevail over this Policy.

7) APPROVAL OF THIS POLICY

The Board of Directors of Tata Communications Limited has approved and adopted this ‘Material Subsidiary Policy’. The Board of Directors may, if thought fit, review and amend the Policy, as and when required.

In case of any clarifications required with respect to this policy, kindly contact Mr. Zubin Adil Patel, Company Secretary at Zubin.patel@tatacommunications.com .

January 22, 2025