



Policy for determining Material Subsidiaries

Online Instruments (India) Limited
(Formerly known as Online Instruments (India) Private Limited)

LOGIC

Online Instruments (India) Limited

Formerly Online Instruments (India) Private Limited
CIN: U51909KA2006PLC038521

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1. INTRODUCTION

In accordance with Regulations 16(1)(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this policy for determining material subsidiaries (“**Policy**”) outlines the manner in which the Company will identify its “material” subsidiary and also prescribed certain governance requirements which need to be adhered to by Online Instruments (India) Limited (formerly known as Online Instruments (India) Private Limited) (“**the Company**”) with respect to management of its material subsidiaries.

2. DEFINITIONS

- a) In this Policy unless the context otherwise requires:
- (i) “**Act**” means the Companies Act, 2013 and rules made thereunder;
 - (ii) “**Audit Committee**” means the audit committee constituted by the Board of Directors of the Company from time to time as required in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations 2015;
 - (iii) “**Board**” means the board of directors of the Company;
 - (iv) “**Control**” shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
 - (v) “**Independent Director**” means a director of the Company, not being a whole-time director and who is Promoter nor belongs to the Promoter group of the Company and who satisfied other criteria for independence under the Act and the SEBI (LODR) Regulations, 2015;
 - (vi) “**Material Subsidiary**” shall mean, except where otherwise specifically provided, a Subsidiary whose turnover or net worth exceeds 10% (ten per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year and whether incorporated in India or not;
 - (vii) “**SEBI (LODR) Regulations 2015**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) as amended from time to time;
 - (viii) “**Significant Transaction or Arrangement**” shall mean 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 Material unlisted Subsidiary for the immediately preceding accounting year;

- (ix) “**Unlisted Subsidiary**” means the subsidiary whose shares are not listed on any of the recognised stock exchanges;
- b) Unless the context otherwise requires, word and expression used in this Policy and not defined herein but defined in the Act and SEBI (LODR) Regulations 2015, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

3. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

A subsidiary of the Company shall be regarded as a Material Subsidiary if it falls under the definition provided above.

The Audit Committee shall review such details/information as may be required to determine the ‘Material Subsidiaries’.

4. GOVERNANCE REQUIREMENTS

- 4.1 The Company shall appoint at least 1(one) of its Independent Directors on the board of directors of its Unlisted Material Subsidiary, whether incorporated in India or not. For the purposes of this para, the term ‘Material Subsidiary’ shall mean a subsidiary whose turnover or net worth exceeds 20% (twenty per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year;
- 4.2 The Audit Committee of the Company shall review the financial statements of, and in particular, the investments made by the Unlisted Subsidiary;
- 4.3 The Board shall review the minutes of the board of directors of the Unlisted Subsidiary which shall be placed at the meeting of the Board;
- 4.4 The management of the unlisted subsidiary shall periodically bring to the notice of the Board, a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary;
- 4.5 The Company shall disclose all events with respect to its subsidiaries which are material for the Company;
- 4.6 A list of such Material subsidiaries and Material Non-Listed Indian Subsidiaries shall be presented to the Audit Committee annually for its noting;
- 4.7 Every material subsidiary incorporated in India, shall undertake secretarial audit as referred under Section 204 of the Companies Act, 2013 by a secretarial auditor who shall be a peer reviewed company secretary, and the secretarial audit report shall be annexed with Annual Report of the Company.

5. DISPOSAL OF MATERIAL SUBSIDIARY

- a. The Company shall not without prior approval of the shareholders of the Company by way of a special resolution passed in a general meeting,
- (i) dispose shares held by the Company in its Material Subsidiary which shall result in reduction of the Company's shareholding in the Material Subsidiary (either individually or together with its other subsidiary) to less than or equal to 50% (fifty per cent) or the Company ceasing to exercise control over the Material Subsidiary; or
- (ii) sell, dispose or lease assets of the Material Subsidiary which amount to more than 20% (twenty per cent) of the assets of the Material Subsidiary on an aggregate basis during a financial year;

Provided, shareholder's approval by way of a special resolution as aforesaid will not be required, if such disinvestment or sale, disposal or lease of assets:

- is under a scheme of arrangement formulated under the Act and duly approved by the national company law tribunal; or
 - is pursuant to a resolution plan formulated and approved under Section 31 of the insolvency and bankruptcy code, 2016, and the approval of the resolution plan is notified to the concerned stock exchange within one day of the resolution plan being approved.
- (iii) if such sale, disposal or lease of assets is between 2 (two) wholly owned subsidiaries of the Company, prior approval of the shareholders of the Company by way of special resolution is not required.

6. DISCLOSURE

The policy shall be updated on the website of the Company under Statutory policy section. Pursuant, to Regulation 46(2) of the SEBI Listing Regulations and web link thereto shall be provided in the Annual Report of the Company.

7. REVIEW AND AMENDMENT OF THE POLICY

The Board shall review, amend and modify the policy at any point of time as it may deem necessary and/or as may be required from time to time in accordance with subsequent amendments in Companies Act 2013, SEBI Listing Regulations 2015, and other applicable statutes. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.



In the event of any conflict between the provisions of this Policy and of the applicable law, such applicable law in force from time to time shall prevail over this Policy.

**For Online Instruments (India) Limited
(Formerly Online Instruments (India) Private Limited)**


~~Shivanand Mallappa Mahashetti~~
Managing Director
DIN: 01180544

For Online Instruments (India) Limited

Authorised Signatory

The Policy is adopted by the Board of Directors on March 10, 2026

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