

POLICY ON MATERIAL SUBSIDIARY

1. PREAMBLE

The Board of Directors (the “Board”) of Federal-Mogul Goetze (India) Limited (the “Company” or “FMGIL”) had adopted the Related party transaction policy with effect from October 1, 2014, as amended, that included the criteria for determining material subsidiary(ies).

The Company now envisages to formulate a separate policy for the said purpose with effect from 13th February 2023.

2. OBJECTIVE

This Policy aims to provide a framework for determining material subsidiary(ies) of the Company and other related matters.

3. DEFINITIONS

The words and expressions used but not defined herein shall have the meanings ascribed to such terms in the Companies Act, 2013, Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as “Relevant Laws”), as the case may be. In case any provisions of the Policy are contrary to or inconsistent with any provisions of Relevant Laws, the provisions of Relevant Laws shall prevail.

4. DETERMINATION OF MATERIAL SUBSIDIARY

- I. A subsidiary of the Company shall be considered as material subsidiary if the income or networth of such subsidiary exceeds 10% (ten per cent.) of the consolidated income or net worth respectively of the Company and its subsidiary(ies) in the immediately preceding accounting year.
- II. Based on the latest financial statements (including consolidated financial statements) of the Company, the Chief Financial Officer of the Company shall identify on annual basis as well as upon any change in the shareholding of the Company in any of the existing subsidiary(ies) or acquisition of a new subsidiary(ies), whether any of the subsidiary(ies) of the Company will be considered as material subsidiary(ies) as per the criteria given in this Clause 4.
- III. The name of each material subsidiary(ies) identified in the manner mentioned above, if any, shall be reported to the Audit Committee and the Board of Directors of the Company along with the annual audited financial statements. Further, in case of any change in the status of a subsidiary(ies) during the year, the same should be reported to the Audit Committee and the Board of Directors in their meetings to be held following such change.

IV. The Company shall comply with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, in respect of each of its material subsidiary(ies), if any, identified in the manner mentioned hereinabove.

5. AMENDMENT

In the event of any amendment in the Companies Act, 2013 or Listing Regulations or issuance of any notification/clarification thereto, such amendments/clarification shall be deemed to be adopted by the Company and the policy stands amended to the extent of such change and in case of any conflict between the provisions of this policy and Companies Act, 2013 or Listing Regulations.