Policy on Material Subsidiaries

1. Preamble

The following shall be the Policy on determining material subsidiaries of Premier Energy and Infrastructure Limited (`Company'), as approved by the Company's Board of Directors

This Policy shall be subject to periodic review by the Board and may be modified from time to time to ensure alignment with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Policy came into effect from 4th May, 2026

2. Purpose The purpose of this policy is to establish guidelines and provide clarity on the classification, governance, and management of Material Subsidiaries within the organization. This policy aims to ensure compliance with regulatory requirements and provide transparency regarding the relationship between the holding company and its subsidiaries.

3. Scope This policy applies to all subsidiaries of the holding company, including both direct and indirect subsidiaries, wherever they may be located.

4. Definitions

- **Audit Committee:** means the Audit Committee of Board of Directors of the Company;
- **Board** means the collective body/Board of the Directors of the Company;
- **Policy** means this Policy on determination of Material Subsidiary.
- **Holding Company:** means a holding company as defined in sub-section (46) of section 2 of the Companies Act, 2013.
- **Material Subsidiary:** shall mean a subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- **Subsidiary:** means a subsidiary as defined under sub-section (87) of section 2 of Companies Act, 2013.
- **Unlisted Subsidiary** means a Subsidiary of the Company not listed on any stock exchanges in India or overseas.
- **Significant Transaction or arrangement:** shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.
- **Control:** The power to govern the financial and operating policies of an entity, typically through ownership of more than 50% of voting shares or equivalent rights.
- **Peer reviewed Company Secretary:** A Company Secretary in Practice who has undergone the peer review process conducted by ICSI and has been issued a Peer Review Certificate.

  All other words and expressions used in this policy if defined in the Companies Act, 2013, Listing Regulations and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

5. Material Subsidiary Determination Criteria A subsidiary will be considered "Material" if it satisfies at least one of the following criteria:

- The subsidiary contributes 10% or more to the consolidated turnover or net worth of the holding company for the financial year.
- Any other criteria as defined by the applicable regulations from time to time.

6. Governance and Oversight

- **Board Representation:** A Material Subsidiary whose threshold limit exceeds 20% or more must have at least one independent director of the holding company on its board.
- **Approval Requirements**: Any significant transactions or strategic decisions (e.g., mergers, acquisitions, investments) involving Material Subsidiaries must be approved by the board of directors of the holding company.
- The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the Company.
- **Reporting:** Material Subsidiaries must submit quarterly and annual financial reports to the holding company, which should be reviewed and consolidated for reporting purposes. The holding company is required to disclose the material subsidiary details annually in the Director's Report, including the composition of the board and any significant transactions that occurred during the year.
- The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- Without the prior approval of the shareholders of the Company by means of a resolution as prescribed under applicable laws/regulations, the Company shall not:

1) dispose off 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.

2) sell/dispose/lease assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the sale/disposal/lease is made under a scheme or arrangement duly approved by a Court or 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.

Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

Where the Company has a listed subsidiary, which is itself a holding company, the provisions of this policy shall also apply to the listed subsidiary in so far as its subsidiaries are concerned.

7. Documentation and Reporting

- **Annual Report:** A detailed report on all Material Subsidiaries must be included in the holding company's Annual Report, highlighting their financial position, strategic importance, and governance structure.

- **Quarterly Review:** A quarterly review of the financial and operational performance of Material Subsidiaries should be conducted and shared with the board of the holding company.

8. Secretarial Audit of material unlisted subsidiary incorporated in India

The material unlisted subsidiary/ies of the Company incorporated in India shall annually undertake a secretarial audit as per Regulation 24A(1) of the Listing Regulations. The said report issued by peer reviewed practicing company secretary shall be annexed to the annual report of the Company.

9. Amendments and Changes in Criteria the threshold for determining whether a subsidiary is material may change from time to time. Any amendments to applicable laws, rules, or regulations will be incorporated into this policy.

10. Policy Review This policy will be reviewed annually and amended as necessary to ensure continued compliance with applicable laws and best practices in corporate governance.

11. Website This policy shall be disclosed on the website of the company https://premierenergy.in/