POLICY FOR DETERMINING MATERIAL SUBSIDIARIES OF VIBRANT GLOBAL CAPITAL LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. SCOPE AND PURPOSE

Regulation 16(1)(c) of the SEBI Listing Regulations requires every listed entity to formulate a policy for determining 'material' subsidiaries. Regulations 24 and 24A of the SEBI Listing Regulations lay down the corporate governance requirements for subsidiaries of a listed entity. As a Non-Banking Financial Company registered with the Reserve Bank of India, the Company is also required to comply with the governance requirements for subsidiaries under the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025, to the extent applicable.

In light of the above requirements, Vibrant Global Capital Limited has framed this Policy for Determining Material Subsidiaries ("Policy").

2. OBJECTIVE

The objective of this Policy is to set out (a) the criteria for determining the material subsidiaries of the Company; and (b) the governance framework and disclosure requirements applicable to such subsidiaries, in accordance with the SEBI Listing Regulations, the Act and the directions of the Reserve Bank of India.

3. DEFINITIONS

3.1 "**Act**" shall mean the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

3.2 "**Audit Committee**" shall mean the Audit Committee of the Board of Directors of the Company constituted under Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

3.3 "**Board**" shall mean the Board of Directors of the Company.

3.4 "**Company**" shall mean Vibrant Global Capital Limited, having its registered office at Unit No. 202, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

3.5 "**Independent Director**" shall mean a director of the Company who satisfies the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

3.6 "**Material Subsidiary**" shall mean a subsidiary whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3.7 "**Material Unlisted Subsidiary**" shall mean a Material Subsidiary whose securities are not listed on a recognised stock exchange, whether incorporated in India or not.

3.8 "**Net Worth**" and "**Turnover**" shall have the meanings given in Sections 2(57) and 2(91) of the Act respectively.

3.9 "**SEBI Listing Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3.10 "**Significant Transaction or Arrangement**" shall mean any individual transaction or arrangement that exceeds, or is likely to exceed, ten percent of the total revenues, total expenses, total assets or total liabilities, as the case may be, of the Unlisted Subsidiary for the immediately preceding accounting year.

3.11 "**Subsidiary**" shall have the meaning given in Section 2(87) of the Act.

3.12 "**Unlisted Subsidiary**" shall mean a subsidiary whose securities are not listed on a recognised stock exchange.

3.13 Any other term not defined herein shall have the meaning given in the Act, the SEBI Listing Regulations, the Reserve Bank of India Act, 1934, the directions issued by the Reserve Bank of India or any other applicable law.

4. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARIES

4.1 A subsidiary shall be a Material Subsidiary if its turnover or net worth exceeds ten percent of the consolidated turnover or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

4.2 The determination shall be made on the basis of the audited standalone financial statements of the subsidiary and the audited consolidated financial statements of the Company for the immediately preceding accounting year.

4.3 The Material Subsidiaries of the Company shall be identified every year after the audited consolidated financial statements of the Company are approved, and the list shall be placed before the Audit Committee and the Board.

5. GOVERNANCE OF SUBSIDIARIES

5.1 **Independent Director on the board of the subsidiary:** At least one Independent Director of the Company shall be a director on the board of directors of each Material Unlisted Subsidiary, whether incorporated in India or not. For this purpose only, a Material Unlisted Subsidiary means an Unlisted Subsidiary whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

5.2 **Review by the Audit Committee:** The Audit Committee shall review the financial statements, in particular the investments made, by each Unlisted Subsidiary of the Company.

5.3 **Minutes:** The minutes of the meetings of the board of directors of each Unlisted Subsidiary shall be placed at the meeting of the Board.

5.4 **Significant transactions:** The management of each Unlisted Subsidiary shall periodically bring to the notice of the Board a statement of all Significant Transactions or Arrangements entered into by it.

5.5 **Disposal of shares:** The Company shall not dispose of shares in a Material Subsidiary that would reduce its shareholding, either on its own or together with its subsidiaries, to fifty percent or less, or cease the exercise of control over the subsidiary, without passing a special resolution in its general meeting.

5.6 **Disposal of assets:** Selling, disposing of or leasing of assets amounting to more than twenty percent of the assets of a Material Subsidiary, on an aggregate basis during a financial year, shall require prior approval of the shareholders of the Company by way of a special resolution. This shall not apply to a sale, disposal or lease of assets between two wholly owned subsidiaries of the Company.

5.7 **Exceptions:** Clauses 5.5 and 5.6 shall not apply where the divestment or disposal is made under a scheme of arrangement duly approved by a Court or Tribunal, or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, and such an event is disclosed to the stock exchanges within one day of the resolution plan being approved.

5.8 **Secretarial audit:** Every Material Unlisted Subsidiary of the Company incorporated in India shall undertake secretarial audit by a peer reviewed Company Secretary in practice, and the secretarial audit report shall be annexed to the Annual Report of the Company, as required under Regulation 24A of the SEBI Listing Regulations.

5.9 **Auditors of Material Subsidiaries:** The Company shall ensure that the terms of appointment of the statutory auditors of its Material Subsidiaries include the conditions specified by SEBI on resignation of auditors, and shall make the related disclosures to the stock exchanges.

5.10 **Corporate governance in subsidiaries:** Where the Company is classified in the Middle Layer or above under the scale based regulatory framework of the Reserve Bank of India, the Board shall ensure good corporate governance practices in the subsidiaries of the Company, as required under the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025.

6. DISCLOSURES

This Policy shall be hosted on the website of the Company and a web link to it shall be provided in the Annual Report. The corporate governance report forming part of the Annual Report shall disclose the details of the Material Subsidiaries of the

Company, including their name, date and place of incorporation, and the name and date of appointment of their statutory auditors, as required under Schedule V of the SEBI Listing Regulations. The Company shall also make such other disclosures to the stock exchanges as are required under the SEBI Listing Regulations.

7. REVIEW OF THE POLICY

The Board shall review this Policy from time to time, on the recommendation of the Audit Committee. In case of any amendment to applicable law, the amended provisions shall prevail over this Policy, and the Policy shall stand amended accordingly.