



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Version Control					
Version	Date	Author	Reviewer	Approver	Notes
1.0	January 29, 2019	Alaka Chanda- Company Secretary and Compliance Officer	Ravi Vishwanath- Chief Financial Officer	Mr. Ashok Reddy Managing Director	First Version
2.0	May 22, 2024	Secretarial Department	Alaka Chanda- Company Secretary and Compliance Officer	Board of Directors	Annual Policy Review

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Amendments

Chief Financial Officer and Company Secretary are severally authorized to amend any provisions of this Policy to give effect to any change/ amendment notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any other regulatory authority, from time to time. Such change(s)/ amended policy shall be placed before the Board of Directors for their approval.

In case any provision of this Policy is contrary to or inconsistent with the provisions of the Companies Act, 2013, SEBI Listing Regulations and/ or any other applicable law for time being in force, the latter shall prevail.

Words and expressions used in this Policy, shall have the same meaning as ascribed to them in SEBI Listing Regulations, SEBI Act, Companies Act, 2013, rules & regulations made thereunder and/ or any other law applicable to the Company for time being in force.



PREAMBLE:

The Board of Directors (the "Board") of **TEAMLEASE SERVICES LIMITED** (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company effective from January 29, 2019.

The Policy is framed in accordance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) (LODR) (Regulations, 2015 including any amendments thereof).

OBJECTIVE:

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

DEFINITIONS:

"**Act**" means the Companies Act 2013 as may be amended from time to time.

"**Audit Committee or Committee**" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 2013.

"**Board of Directors**" or "**Board**" means the Board of Directors of TeamLease Services Limited, as constituted from time to time.

"**Company**" means TeamLease Services Limited.

"**Independent Director**" means a director of the Company, not being a Whole Time Director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

"**Policy**" means this Policy on determining Material Subsidiaries.

"**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 Unlisted Subsidiary for the immediately preceding accounting year.



“Subsidiary” means a subsidiary of the Company, which term shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the, LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

POLICY:

A subsidiary shall be considered as **Material** if:

The income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year pursuant to the Regulation 16 of SEBI Listing Obligation and Disclosure Requirement (LODR) Regulations 2015.

The management of the Company shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Unlisted Subsidiary.

However, for the purposes of appointment of Independent Director in the Material Unlisted Subsidiary, notwithstanding anything to the contrary contained in Regulation 16 of SEBI LODR Regulations 2015, 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 as per Regulation 24 of SEBI LODR Regulations 2015 read with its amendments.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY:

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,



Unless in cases where the divestment/ sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

ADDITIONAL REQUIREMENT FOR MATERIAL UNLISTED SUBSIDIARY:

At least one Independent Director on the Board of the Company shall be a Director on the Board of the material unlisted subsidiary company.

Every 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.

For the purposes of this requirement, incorporated in India 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.

On the recommendation of the Nomination and Remuneration Committee of the Company, the Board may appoint such number of Independent Directors in the unlisted material subsidiary, whether incorporated in India or not.

REQUIREMENT REGARDING UNLISTED SUBSIDIARY COMPANY:

- The Audit Committee of the Company shall also 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 at the Board meeting of the Company.
- The management of the Company shall on a quarterly basis bring to the attention of the Board of Directors of the Company vide a recommendation of the Audit Committee of the listed entity, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

EXPLANATION:

The Management of the Company shall on a quarterly basis bring to the attention of the Board of Directors of the Company vide a recommendation of the Audit Committee of the listed entity total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.



SCOPE AND LIMITATION:

In the event of any conflict between the provisions of this Policy and the LODR / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such LODR / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

DISCLOSURES:

The Policy for determining material subsidiaries is to be disclosed to the Stock Exchanges and in the Annual Report of the Company, as per the provisions of laws in force. The policy shall also be uploaded on the website of the Company at <https://group.teamlease.com/>.
