INNOTERRA®

INNOTERRA LIMITED
(FORMERLY KNOWN AS MILKLANE DAIRY SERVICES PRIVATE LIMITED)

CIN: U52101MH2015PLC269084
Website: www.innoterra.in

Policy for determining Material Subsidiaries

Date of Original adoption / Revision	Effective date of Policy
Adoption:	23rd June, 2026
Revision:	

1. BACKGROUND

The Policy for determining 'material' subsidiary companies has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries. All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

2. OBJECTIVE

The objective of the policy is to define the Material Subsidiary of Innoterra Limited (formerly known as MilkLane Dairy Services Private Limited)and to lay down the criteria for identification of Material Subsidiary(ies) (as defined below) to provide good corporate governance framework of such subsidiaries in compliance with the applicable regulatory requirements.

3. DEFINITIONS

The terms and expressions not defined hereunder shall have the same meaning as defined under the Companies Act, 2013, SEBI Act, 1992 and the Listing Regulations.

"Audit Committee" means Committee constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof.

"**Board**" means the board of directors of Company, as constituted from time to time.

"Control" shall have the same meaning as assigned to the term in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"**Holding company**" means a holding company as defined under the Companies Act, 2013.

"Independent Director" shall have the meaning as ascribed to the term under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

"**Insolvency Code**", means Insolvency and Bankruptcy Code, 2016, as amended

"**Material Subsidiary**" means a material subsidiary of the Company as under the Regulation 16 (1) (c) of the SEBI Listing Regulations (as amended from time to time), viz., a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting

year.
"Subsidiary Company" shall mean a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and rules related thereto.

"Significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten per cent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding financial year and shall be in accordance with any meaning as may be provided for "significant transaction or arrangement" under Regulation 24(4) of the SEBI Listing Regulations, from time to time.

"Unlisted Material Subsidiary" is a Material Subsidiary whose shares are not listed on any of the stock exchanges in India

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations or any other applicable regulation, as amended from time to time.

4. **GUIDING PRINCIPLES**:

Material Subsidiary of the Company would be identified, if any, as an annual exercise which shall be done during each financial year. The identification should happen soon after the preparation of annual accounts and the outcome should be placed before the Audit Committee or Board, as the case may be, in the meeting where the annual audited accounts of the Company are considered.

5. **GOVERNANCE OF MATERIAL SUBSIDIARIES**:

a) At least one independent director on the Board shall be appointed as a director on the board of directors of an Unlisted Material Subsidiary, whether incorporated in India or not.

For the purposes of this requirement, "material subsidiary" shall mean a subsidiary, whose Turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year."

b) The Audit Committee shall review the financial statements, in particular, the investments made by the Unlisted Material Subsidiary.

c) The minutes of the meetings of the board of directors of the Unlisted Material Subsidiary shall be placed at the meeting of the Board of directors of the Company.

d) The management of the Unlisted Material Subsidiary shall periodically bring to the attention of the Board, a statement of all significant transactions and arrangements entered into by the Material Subsidiary.

e) The Company shall not dispose of shares in its Material Subsidiary which would reduce the shareholding of the Company (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over such Material 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.

f) The Company shall not sell, dispose and lease assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale/disposal/lease 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.

This will not be applicable in the event any such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

g) The Unlisted Material Subsidiaries incorporated in India shall undertake secretarial audit by a secretarial auditor who shall be a peer reviewed Company Secretary and shall annex a secretarial audit report in such form as specified, with the annual report of the listed entity.

Explanation: The term “secretarial auditor” means a Company Secretary in Practice or a firm of Company Secretaries in practice appointed to conduct the secretarial audit and the term “Peer Reviewed Company Secretary” means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a peer reviewed practice unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India under SEBI Listing Regulations, from time to time.

h) The Company shall disclose all events or information with respect to its Subsidiaries which are material for the Company as per Regulation 30(9) of the SEBI Listing Regulations.

AMENDMENT

Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw and/ or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In case any provisions of the Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations ("**Statutory Provisions**"), the provisions of Statutory Provisions shall prevail.

DISSEMINATION OF THE POLICY

The policy shall be hosted on the website of the Company.

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