

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

OF

ORKLA INDIA LIMITED¹



Version	Approved By	Date of Approval
1.0	Board of Directors	September 18, 2025

¹Formerly known as “Orkla India Private Limited” and “MTR Foods Private Limited”

1. INTRODUCTION

Orkla India Limited has, in accordance with Regulation 16(1)(c) and Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and other applicable provisions (including any statutory enactments or amendments thereof), adopted this policy for laying down criteria for determining “**Material Subsidiary(ies)**” and their Governance (“**Policy**”).

This Policy shall be effective from the date of listing of the equity shares of the Company on the stock exchange(s).

2. OBJECTIVE

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

3. DEFINITIONS

- i. “**Act**” means the Companies Act, 2013, rules framed thereunder and any amendments thereto.
- ii. “**Audit Committee**” shall mean a committee of Board of Directors of the Company constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of SEBI Listing Regulations.
- iii. “**Board of Directors**” or “**Board**” shall mean Board of Directors of Orkla India Limited, as constituted from time to time.
- iv. “**Company**” or “**Listed Entity**” shall mean “**Orkla India Limited**”.
- v. “**Independent Director**” means an independent director referred to in section 149(6) of the Companies Act, 2013, and / or Regulation 16(1)(b) of the SEBI Listing Regulations.
- vi. “**Listed Entity**” means an entity which has listed, on a recognised stock exchange(s), the designated securities issued by it or designated securities issued under schemes managed by it, in accordance with the listing agreement entered into between the entity and the recognized stock exchange(s);
- vii. “**Material Subsidiary**” shall mean a subsidiary whose turnover or net worth exceeds ten (10) percent of the consolidated turnover or net worth respectively, of the Listed Entity and its subsidiaries in the immediately preceding accounting year.
- viii. “**Policy**” shall mean this “Policy for determining Material Subsidiary” of the Company.
- ix. “**Significant Transaction or Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (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.

- x. **“Subsidiary”** shall mean subsidiary as defined under Section 2(87) of the Companies Act, 2013 and rules made thereunder.
- xi. **“Unlisted Material Subsidiary”** implies a Material Subsidiary of the Company as under Regulation 16(1)(c) of the SEBI Listing Regulations or as may be amended in the SEBI Listing Regulations from time to time and is not listed on any recognized stock exchanges.
- xii. **“Unlisted Subsidiary”** means subsidiary whose securities are not listed on any recognized stock exchanges.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations and/or any other SEBI Regulation(s) as amended from time to time.

4. IDENTIFICATION OF MATERIAL SUBSIDIARY

A subsidiary shall be a “Material Subsidiary” if any of the following conditions are satisfied:

- i. The net worth of the subsidiary exceeds 10 per cent of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year; or
- ii. The turnover of the subsidiary exceeds 10 per cent of the consolidated turnover of the Company and its subsidiaries in the immediately preceding accounting year.

5. GOVERNANCE FRAMEWORK

- a) The Audit Committee shall review the Financial Statements, in particular, the investments made by the Unlisted Subsidiary Company.
- b) The Board shall review the minutes of the meetings of the board of directors of the Unlisted Subsidiary which shall be placed at the meeting of the Board of Directors of the Company.
- c) The Board shall be provided periodically with a statement of all Significant Transaction and Arrangement entered into by the Unlisted Subsidiary Company.
- d) At least one Independent Director of the Company shall be a director on the board of the Unlisted Material Subsidiary whether incorporated in India or not, 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, as per the provision of Regulation 24(1) of SEBI Listing Regulations.
- e) Every Listed Entity and its material Unlisted Subsidiary(ies) incorporated in India shall undertake secretarial audit by a secretarial auditor who shall be a peer review company secretary and shall annex a secretarial audit report in such form as specified, with the annual

report of the Listed Entity.

6. DISPOSAL OF MATERIAL SUBSIDIARY

- a) The Company shall not dispose of shares in its Material Subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to Fifty Percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in a general meeting of its shareholders except in cases where such divestment is made under a scheme of arrangement duly approved by 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 (1) day of the resolution plan being approved.
- b) Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company 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 (1) day of the resolution plan being approved.

7. DISCLOSURE ON WEBSITE

This Policy shall be uploaded on the website of the Company at <https://www.orklaindia.com/governance/policies/>, and a web link thereto shall be provided in the annual report of the Company.

8. REVIEW AND AMENDMENTS

In the event of any conflict between the statutory enactments (as may be periodically amended) and the provisions of this Policy, the statutory enactments shall prevail, and this Policy shall be modified in due course to make it consistent with law.
