

**IndusInd Bank Limited**

**POLICY FOR DETERMINING  
'MATERIAL' SUBSIDIARY  
COMPANIES OF INDUSIND BANK**

**April 2023**

## 1. Background:

The Bank is required to formulate and adopt a Policy for determining its “Material Subsidiary companies, in terms of Regulation 16(1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).”

## 2. Objective:

The objective of the Policy is to provide the framework to determine material subsidiary companies of the Bank in terms of the Listing Regulations.

## 3. Definitions:

- a) “Audit Committee” means the Audit Committee of the Board constituted by the Board of Directors of the Bank, from time to time.
- b) “Board of Directors” or “Board” means the Board of Directors of IndusInd Bank Limited, as constituted from time to time.
- c) “Independent Director” means a Director of the Bank, as defined under the Companies Act, 2013 and who also fulfils the criteria of independence as stipulated under Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) “Listed Subsidiary” means a subsidiary which has listed, on a recognized 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);
- e) “Material Subsidiary” shall mean a subsidiary, whose income or net worth **exceeds ten percent** of the consolidated income or net worth respectively, of the Bank and that of its subsidiaries in the immediately preceding accounting year.
- f) “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.
- g) “Subsidiary” means a subsidiary as defined under Section 2 (87) of the Companies Act, 2013.

All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them, in the relevant provisions of the Companies Act, 2013 and the relevant Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time and the Listing Regulations.

#### **4. Compliances:**

##### Material subsidiary (whether listed or not) – Reg. 24(5) & (6) of Listing Regulations:

1. The Bank shall not dispose of 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 percentage 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized Stock Exchanges within one day of the resolution plan being approved.
2. Sell, dispose or lease the assets of the Material Subsidiary amounting to more than twenty percentage of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Bank by way of special resolution, except in case where such sale, disposal or 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized Stock Exchanges within one day of the resolution plan being approved.

##### Unlisted material subsidiaries – Reg. 24(1) of Listing Regulations:

1. The Bank shall appoint any one of its Independent Directors as a Director on the Board of Directors of unlisted Material Subsidiary, whether incorporated in India or not.

For the purpose of this requirement, an unlisted Material Subsidiary company shall mean an unlisted subsidiary company, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Bank and its subsidiaries in the immediately preceding accounting year.

##### Unlisted subsidiaries – Reg. 24 (2), (3) and (4) of Listing Regulations:

1. The Audit Committee of Board of the Bank shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
2. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Bank.
3. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Bank, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Explanation.- For the purpose of this regulation, the term “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.

Listed subsidiary – Reg. 24 (7):

If the Bank at any time has a listed subsidiary which is itself a holding company, the provisions of this policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

**5. Disclosures:**

In terms of Regulation 46 (2) (h) and 62 (1A) (h) of the Listing Regulations, the Bank shall disclose this Policy on its website and a web link thereto shall be provided under the section relating to Corporate Governance in its Annual Report.

**6. Review of the Policy**

The Policy which has been reviewed and approved by the Board at its meeting held on May 10, 2023.

The Policy shall be reviewed once in every three years or pursuant to changes in the applicable laws, whichever is earlier. The Policy shall be submitted for its review by March, 2026.

The Board may review and approve amendments proposed to the Policy, as recommended by the Audit Committee of the Board or necessitated due to change in applicable laws.

In the event of change in the applicable laws, amendments to the Policy may be carried out, subject to approval by the Managing Director & CEO of the Bank. The revised Policy shall be effective from the date of said approval and placed at the ensuing meeting of the Audit Committee / Board, for its noting.

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