

SHOPPERS STOP

POLICY FOR DETERMING MATERIAL SUBSIDIARY

Version	1.0
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1. OBJECTIVE OF THE POLICY

The objective of the policy is to lay down the criteria for determine the material subsidiary and to formulate governance framework for Subsidiary and Material subsidiary of the Company.

This policy is framed in accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In case of any inconsistency in the Policy and the Listing Regulations, as may be amended from time to time, the provisions of the Listing Regulations would prevail.

2. DEFINITIONS

2.1 "**Act**" means Companies Act 2013.

2.2 "**Listing Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

2.3 "**Board**" means the Board of Directors of the Company.

2.4 "**Company**" means Shoppers Stop Limited.

2.5 "**Control**" shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

2.6 "**Independent Director**" shall mean the same meaning as mentioned in the section 149 of the Act & Regulation 16(1) of the Listing Regulations.

2.7 "**Material Subsidiary**" shall mean a subsidiary whose turnover or net worth exceeds ten percentage (10%) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

2.8 "**Policy**" means Policy for determining Material subsidiaries.

2.9 "**Subsidiary**" means a company as defined in Section 2(87) of the Act.

2.10 "**Turnover**" means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the Company during a financial year.

Any words used in this Policy but not defined herein shall have the same meaning prescribed in the Act or Rules made thereunder, Listing Regulations or any other relevant legislation / law applicable to the Company.

3. COMPLIANCE AND GOVERNANCE FRAMEWORK

3.1 At least one independent director on the board of directors of the Company shall be a director on the Board of Directors of its unlisted Material subsidiary, incorporated in India or not.

Explanation: The term Material Subsidiary shall have the same meaning as mentioned in the policy and Listing regulation, as amended time to time.

3.2 The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.

3.3 The minutes of the meetings of the Board of Directors of the unlisted subsidiary company shall be placed at the board meeting of the Company.

3.4 The management of the unlisted subsidiary should periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Explanation: The term significant transactions or arrangements shall mean any individual transaction or arrangements that exceeds or likely to exceeds ten percent (10%) of the total revenue or total expense or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

3.5 Company shall not dispose of shares in its Material Subsidiary/ies resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent 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 ('Insolvency Code') such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

3.6 Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require 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.

Noting contained in the point no. 3.6 shall be applicable if such sale, disposal or lease of assets is between two wholly owned subsidiary of the company.

3.7 Where the Company has a listed subsidiary, which itself is a holding company, the provisions of this above-mentioned points shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

3.8 Any other compliance as stipulated in the Listing Regulations.

4. AMENDMENTS

The Board or the Committee of the Board shall have the power to amend any of the provisions of this Policy except in in case of any regulatory amendments where the Policy shall stand amended automatically by operation of law in line with and to the extent of such amendment.