



POLICY FOR MATERIAL SUBSIDIARY

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Pursuant to Regulation 16(1)(c) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

1. INTRODUCTION

The Board of Directors (the “Board”) of Texmaco Rail & Engineering 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.

2. POLICY OBJECTIVE

To determine the Material Subsidiaries of Texmaco Rail & Engineering Limited and to provide the governance framework for such subsidiaries. It is framed in accordance with the SEBI (Listing Obligations and Disclosure Requirement) Regulations (“Regulations”).

3. DEFINITIONS

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of Regulations and The Companies, 2013.

“**Board of Directors**” or “Board” means the Board of Directors of Texmaco Rail & Engineering Limited, as constituted from time to time.

“**Company**” means Texmaco Rail & Engineering 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 Regulations.

“**Policy**” means this Policy , as amended from time to time.

“**Material Un-listed Indian Subsidiary**” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges

“**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**” shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

4. POLICY

A. Criteria for determining “Material Subsidiary” - A subsidiary shall be a Material, if the turnover or net-worth exceeds ten percent of the consolidated turnover or net-worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

B. Governance Framework-

For the purpose of Governance Framework, Notwithstanding the definition of Material Subsidiary under Clause 4 (A) of this Policy, the term ‘Material Subsidiary’ shall mean a Subsidiary whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

- i) At least one Independent Director of the Company shall be a director on the Board of the Material unlisted Subsidiary Company whether incorporated in India or not
- ii) The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- iii) The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- iv) The management shall on a periodical basis bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution, shall not:

- a. dispose of shares in its Material Subsidiaries resulting in reduction of its shareholding (either on its own or together with other Subsidiaries) to less than or equal to 50%; or cease the exercise of control over the Subsidiary 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; or
- b. sell, dispose of 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 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved. However, this shall not be applicable if such sale, disposal or lease of assets is between two wholly-owned Subsidiaries of the Company.

6.AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provisions(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this policy and to ensure governance of material subsidiary Companies.

7.SCOPE AND LIMITATION

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

8.DISSEMINATION OF POLICY

This policy shall be hosted on the website of the Company, and a web link thereto shall be provided in the annual report of the Company.

9. DISCLOSURES

The policy shall be uploaded on the website of the Company at www.texmaco.in.

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Document History -

Sn	Version	Latest Date of Updation	Company Secretary
1	1/2025-26	09-02-2026	Sandeep Kumar Sultania