



**IDBI Bank Ltd.
POLICY FOR DETERMINING MATERIAL SUBSIDIARY
FY 2023-24
SAIC**

June 2023

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Version Control

Version No.	Issued in	Changes made in previous version
1	April 29, 2016	Issue of first version
1.01	March 26, 2021	Changes in the definition of Material Subsidiary as per SEBI LODR, Change in review period to need basis, Addition of clauses on Introduction, Scope and Requirements in case of Material Subsidiary.
1.02	June 2023	Change in review period from need basis to annual.

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Policy for Determining Material Subsidiary
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Policy for Determining Material Subsidiary

1. Introduction:

- 1.1 IDBI Bank being a listed entity has to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the guidelines issued by the Securities and Exchange Board of India (SEBI) from time to time in this regard.
- 1.2 Regulation 16(c) of Listing Regulations mandates a listed entity to formulate a policy for determining "Material Subsidiary" and this Policy is formulated to fulfil the said requirement.
- 1.3 The Board of Directors of the Bank has adopted this Policy & procedures thereto with regard to the determination of Material Subsidiary.

2. Scope & Applicability of the Policy

- 2.1 This Policy outlines the basis for determining "Material Subsidiary" in terms of the provisions of Listing Regulations.
- 2.2 This Policy and the relevant provisions of Listing Regulations dealing with the subsidiary companies shall be applicable to the Bank and its Subsidiaries. Subsidiary companies of the Bank, constituted outside of India, if any, are exempted from the scope of this policy except for the appointment of Independent Directors in terms of revised Regulations 24(1) of Listing Regulations.

3. Definitions

- a) "Bank" means IDBI Bank Ltd.
- b) "Board or Board of Directors" shall mean the Board of Directors of the Bank.
- c) "Listing Regulations" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SEBI (Listing Regulations), as amended from time to time.
- d) "Material Subsidiary" means a subsidiary of the Bank determined as Material Subsidiary in accordance with para 4 of the Policy.

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- e) **“Material Unlisted Subsidiary”** means an unlisted Material Subsidiary.
- f) **“Policy”** means this Policy for Determining Material Subsidiary of the Bank.
- g) **“Subsidiary”** shall have the meaning given to it in the Companies Act, 2013.
- h) **“Unlisted Subsidiary”** means an unlisted Subsidiary of the Bank.

All other words and expressions used but not defined in this Policy, but defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and/ or the rules and regulations made there under from time to time shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

4. Determination of Material Subsidiary

- 4.1 A subsidiary company of the Bank will be treated as a Material Subsidiary, if either its income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Bank and its subsidiary companies in the immediately preceding accounting year.
- 4.2 **The Bank will on or before 30th June of every year identify its Material Subsidiary, if any.**

5. Requirements in case of Material Subsidiary

5.1. In case of Unlisted Material Subsidiary :

- i. In terms of Regulations 24(1) of Listing Regulations, at least one Independent Director on the Board of Directors of the Bank shall be a director on the board of directors of unlisted material subsidiary, whether incorporated in India or not.

Explanation: For the purpose of this provision, notwithstanding anything to the contrary contained in the clause 4 above, the term "Material Subsidiary" shall mean a subsidiary whose income or net-worth exceeds 20% of the consolidated income or net-worth, respectively of the Bank & its subsidiaries in the immediately preceding accounting year.

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- ii. In terms of Regulations 24(A) of Listing Regulations, the material unlisted subsidiary incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report, given by a company secretary in practice in such form as may be specified by SEBI w.e.f. year ended March 31, 2019, with the annual report of the Bank.

5.2. In case of Material Subsidiary (Listed and Unlisted) :

In terms of Regulations 24(5) of Listing Regulations, any disposal of shares in its material subsidiary which would reduce the Bank's shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent or cease the exercise of control over the subsidiary will require a special resolution to be passed in the General Meeting of the Bank except in case where such divestment is made under a scheme of arrangements duly approved by Court/ Tribunal.

In terms of Regulations 24(6) of Listing Regulations, Prior approval of shareholders of the Bank will also be required, by way of special resolution, for selling, disposing and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year. However, such approval shall not be required in case the sale/disposal/lease is made under a scheme of arrangements duly approved by Court/ Tribunal.

6. Disclosures

The Policy for Determining Material Subsidiary shall be disclosed on the Bank's website and a web-link thereto shall be provided in the Annual Report, as per the provisions of law in force.

7. Amendment/ Review

Any subsequent amendment/ modification in the Listing Regulations, Act and/ or applicable laws in this regard shall automatically apply to this Policy. Any amendment to this Policy as per change in regulatory requirement, if any, from time to time, shall be approved by MD & CEO of IDBI Bank, and shall form part of this Policy. These modifications due to regulatory changes shall be ratified by the Board of directors of the Bank in the immediately following annual review of the Policy.

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The Policy will be reviewed annually or upon change in applicable regulatory guidelines. Any amendment / modification to this Policy, other than mentioned above, shall be referred to the Board of the Bank for approval.

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ABBREVIATIONS

Abbreviations	Full Name
LODR	Listing Obligations and Disclosure Requirements
SEBI	Securities & Exchange Board of India

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