POLICY ON MATERIAL SUBSIDIARY (IES) AND EVENTS

1. OBJECTIVE:

Shriram City Union Finance Limited ("Company") has a subsidiary company and may have more subsidiary companies in future. The transaction between the Company and its subsidiary company (ies) are natural. A PMSE on dealing, disclosure with subsidiary company will be guiding line for the transaction between the Company and its subsidiary (ies). In the course of business, events of material nature may arise. A PMSE with respect to materiality of events need to be formulated. In order to determine the material subsidiary (ies), the transaction between the subsidiary(ies), to determine/ disclose/disseminate material events or information and to comply with Regulation 16 (1) (c), 24 and 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Board of Directors of the Company ("Board") has formulated "PMSE on Material Subsidiary(ies) and Events" ("PMSE").

2. APPLICABILITY:

This PMSE shall be applicable to the Company from May 1, 2021. Any amendment to PMSE shall be applicable from the date mentioned in the amendment or from the date of amendment, if no effective date is mentioned. PMSE may be amended, suspended, rescinded by the Board from time to time. In case of any conflict between PMSE and any regulation, the regulation shall prevail over PMSE. Any difficulties or ambiguities in PMSE will be resolved by the Board in line with the broad intent of the PMSE. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of PMSE and further the objective of good corporate governance.

3. DEFINITION:

"Audit committee": Audit Committee or Audit and Risk Management Committee ("ARMC"), by whatever name called, constituted by the Board from time to time.

"Board of Directors": the Board of Directors of the Company as constituted from time to time ("Board").

"Company": 'Shriram City Union Finance Limited'

"Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

"Financial Statement": Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and notes thereto

"Independent Director": A director of the Company appointed as Independent

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Director

"Key Managerial Personnel ("KMP")": As defined under section 2(51) of the Companies Act, 2013

"LODR: Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements), Regulations 2015 as notified by SEBI.

"Material subsidiary ("MS")": Subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"Unlisted Material Subsidiary ("ULMS")": Material subsidiary incorporated in India which is not listed on any of the Indian Stock Exchange.

"Unlisted Subsidiary ("ULS")": Subsidiary incorporated in India and is not listed on any Stock Exchange (s) in India.

"Significant transaction or arrangement" : Any individual transaction or arrangement exceeding or 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 material subsidiary for the immediately preceding accounting year.

"Securities": As defined in clause (h) of Section 2 of Securities Contracts (Regulation) Act, 1956

"Subsidiary": As defined under the Companies Act, 2013 and the Rules made thereunder.

"Stock Exchange": shall mean the exchanges on which securities of the Company are listed

4. MONITORING THE SUBSIDIARY:

The USL shall furnish (i) Quarterly financial information and annual financial statements approved by the Board of the USL immediately after such approval along with the audit report/ limited review report ,if any ,(ii) Details of investments made by USL on quarterly basis ,(iii) Significant transactions and arrangements entered into by the USL on quarterly basis in the format prescribed under relevant accounting standards for the purpose of reporting related party transactions ,(iv) The minutes of meetings of the Board of Directors of the USL on quarterly basis ,(v) Secretarial Audit report or any other audit report, if any ,(vi) Any material event immediately on such occurrence

The above information received from the USL shall be placed before the Board of the Company and financial and investment information received aforesaid shall be placed beforethe ARMC. The list of subsidiary (ies) together with the details of the materiality defined herein shall be presented to the ARMC annually. The ARMC shall review the

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same and make suitable recommendations to the Board for any action including the appointment of Independent Director in the USL, if necessary.

5. REQUIREMENTS OF ULMS:

The Board shall

i) appoint one of its independent Director on the Board of the ULMS

viii)without the prior approval of its Members by special resolution shall not:

a) Dispose off shares held by it in MS, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or

b) Cease the exercise of control over the subsidiary or

c) Sell, dispose or lease the assets amounting to more than 20% of the assets of the MS on an aggregate basis during a financial year

The taking of special resolution as mentioned above shall not apply to divestment/ sale/disposal/lease made under a scheme of arrangement/resolution plan duly approved by the Court/Tribunal

6. CRITERIA FOR MATERIALITY EVENTS OR INFORMATION:

a) All events mentioned in Schedule I to this PMSE are deemed to be material ("Mandatorily Material").

b) Events shall be considered material, if it satisfies the conditions specified in Schedule II to this PMSE ("Considered Material").

c) The same principles of Mandatorily Material and Considered Material shall apply to the subsidiary (ies) of the Company.

7. DISCLOSURE OF MATERIAL EVENTS/ INFORMATION:

a) All Mandatorily Material and Considered Material Events/information of the Company and its subsidiaries shall be informed to Stock Exchanges and displayed on the web site of the Company and updated with changes and hosted for minimum period of five year from the date of such event. In case of delay in such disclosures, such disclosures shall provide explanation for delay.

b) The Company may on its own confirm or deny any reported events/information to Stock Exchange and disclose it on its website.

8. CONTACT DETAILS:

The Chief Financial Officer or the Managing Director shall, whose contact details are as under shall determine and apply the criteria of Materiality of Events or information

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and ensure disclosures of the same to stock exchange(s).

Designation	Email id	Telephone No	Address
Managing Director	md@shriramcity.com	+91 044 4392 5300	144, Santhome High Road, Chennai-600004
Chief Financial Officer	cfo@shriramcity.com		

9. DISCLOSURES:

This PMSE shall also be displayed on the website of the Company and shall be disclosed by way of a web link in the Annual Report of the Company.

MANDATORILY MATERIAL EVENTS SCHEDULE I

Sl. No.	Particulars of Events / Information	Timeline within which the events (E) / information (I) to be disclosed to Stock Exchange
1.	Acquisition, Amalgamation, Merger, Demerger or any other Restructuring	Within 24 hours of the occurrence of E/I
2.	Sale of any Unit or Subsidiary (ies)	
3.	Issue ,forfeiture ,split ,consolidation etc Securities of the Company	
4.	Revision in Rating (s)	
		Within 30 minutes of the closure of Board Meeting
5.	Outcome of the Board Meeting with respect to Dividends ,Buy back, alteration in share capital, reissue of forefeited securities,Fund Raising,Financial Results,Voluntary delisting from Stock Exchange(s)	
6.	Agreements which are binding and not in normal course of business, revision(s), amendment(s) and termination(s) thereof	Within 24 hours of the occurrence of E/I
7.	Frauds/Defaults by promoter or Key Managerial Personnel (KMP) /Arrest of KMP	
8.	Change in Directors, KMP, Auditor and Compliance Officer (appointment or resignation)	
9.	Resignation of auditor including reasons for resignation	
10.	Appointment or discontinuation of Share Transfer Agent	
11.	Corporate Debt Restructuring	
12.	One time settlement with a bank	
13.	Reference to BIFR and winding-up petition	

14.	Information sent to security holders or creditors or any class of them	
15.	Proceedings of General Meetings of the Company	
16.	Amendment to Memorandum and Articles of Association	
17.	Meeting schedule of analyst or institutional investor and presentation on financial results	

Sl. No.	Particulars of Events / Information	Timeline within which the events (E) / information (I) to be disclosed to Stock Exchange
	Initiation of Forensic audit with the fact of initiation of forensic and Final forensic audit report with comments of the management, if any	
18.	Default in timely payment of interest or redemption or both with respect to NCDs or default for a period of more than 3 months from due date	Promptly inform stock Exchange as soon as practically possible
19.	Default in creation of security for debentures	
20.	Attachment or prohibitory orders restraining transferability NCDs	
21.	Any action that shall affect adversely payment of interest or redemption of NCDs	
22.	Application for listing of securities pursuant to change in form, nature, rights or privileges of the NCD holders	
23.	Any changes in general character or nature of business	
24.	Any events such as strikes and lock outs	
25.	Details of any letter or comments made by Debenture Trustees	
26.	delay/ default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date	
27.	failure to create charge on the assets	
28.	any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the listed entity with any investor(s)/lender(s)	
29.	Major changes in Composition of Board of Directors, which may amount to change in control as defined under SEBI (SAST) Regulations, 2011	
30.	Any revision in the rating	

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31.	Approvals by board of directors in their meeting with respect to pass any interest payment and Short particulars of Increase in Capital by way of Bonus or issue of Right Securities to be offered to the debenture holders.	
32.	Information, report, notices, call letters, circulars and proceedings sent to NCDs	
33.	Any other change that shall affect the rights and obligations of NCD holders	
34.	Resignation of an independent director, along with the Detailed Reasons for resignation and Confirmation from ID that there is no other material reasons other than those provided.	Within seven days from the date of resignation

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CONSIDERED MATERIAL EVENTS SCHEDULE II

Sl. No.	Particulars of Events / Information	Timeline within which the events (E) / information (I) to be disclosed to Stock Exchange
1	Commencement or postponement of date of commercial production or operations of any unit/division	Promptly inform stock Exchange as soon as practically possible
2	Any strategic, technical, manufacturing or marketing tie-up which could bring change in the general character or nature of business	
3	Disruption due to natural calamity or, strikes, lockouts and Closure of operations of any unit (entirety or piecemeal)	
4	Capacity addition or product launch	
5	Awards, Orders and Contracts bagged, amended or terminated which are not in the normal course of business	
6	Agreements entered into, revised, amended or terminated which are binding and not in the normal course of business	
7	Effect(s) arising out of change in regulatory framework	
8	Litigation (s)/dispute(s)/regulatory action(s) with impact	
9	Frauds/Defaults by Directors (other than KMP) or employees of the Company	
10	Information under ESOP Scheme of the Company	
11	Giving of guarantees or indemnity or becoming a surety for any third party	
12	Granting, withdrawal, surrender, cancellation or suspension of key licences or regulatory approvals	
13	Major development in the above material information / event likely to affect business	
14	Any other information which is exclusively known to the Company and which shall be necessary to enable the security holders to appraise the position of the Company and avoid the establishment of a false market in such securities	

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