



POLICY FOR DETERMINING GROUP COMPANIES

1. Purpose

This policy sets out the criteria and principles for identifying and classifying **Group Companies** of [Company Name], in compliance with the **Companies Act, 2013**, and other applicable regulations such as SEBI (ICDR) Regulations, SEBI (LODR), and RBI guidelines where applicable.

2. Legal Framework

Relevant definitions and references under Indian law:

- **Companies Act, 2013**
 - *Section 2(87)* – Definition of "subsidiary company"
 - *Section 2(46)* – Definition of "holding company"
 - *Section 2(6)* – Definition of "associate company"
 - *Section 129(3)* – Consolidation of financial statements with subsidiaries, associates, joint ventures
 - **SEBI (ICDR) Regulations, 2018**
 - Group companies are those disclosed by the issuer as such in its offer document, based on common ownership or significant influence.
 - **RBI Master Directions (NBFC/Banking)** also define Group exposure norms.
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3. Objective

To establish consistent and transparent criteria for:

- Identifying entities that qualify as "Group Companies"
 - Disclosing group relationships in regulatory filings, offer documents, financial reports, and internal governance matters
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4. Definition of Group Companies

Group Companies shall include entities that satisfy one or more of the following conditions:

a. Holding, Subsidiary, or Associate Company

- An entity that is a **holding, subsidiary, or associate** as per Sections 2(46), 2(87), and 2(6) of the Companies Act, 2013.

b. Significant Influence or Control

- Where the Company directly or indirectly **exercises significant influence**, i.e., control of at least **20% of total voting power** or participation in business decisions.



c. Common Control or Ownership

- Where the **promoter/promoter group**, or **management personnel**, jointly own/control a substantial portion (e.g., 20% or more) of another entity.

d. Common Branding or Strategic Business Links

- Entities that share a common brand name or are strategically integrated (e.g., cross directorship, shared services, operational interdependence).

e. Disclosed as Group Company in Offer Documents

- Entities identified as "Group Companies" in any public filing such as DRHP, RHP, or financial disclosures.

f. Regulatory Declarations

- Any entity declared as a Group Company by virtue of regulatory requirements (e.g., SEBI, RBI).

5. Exclusions

Entities shall **not be classified as Group Companies** solely by virtue of:

- Common investment by a financial investor or institutional shareholder (without control or significant influence)
- Arm's length commercial transactions without strategic linkages
- Past association without ongoing control or relevance

6. Review and Monitoring

- The Company Secretary or Legal/Compliance Officer will maintain and periodically update the list of Group Companies.
- Review will be conducted **annually** or upon any major corporate action (mergers, acquisitions, restructuring).

7. Disclosures

- Group Companies list will be disclosed in offer documents (if applicable), financial statements, and governance reports as required.
- Disclosures will be complied with **SEBI, MCA**, and **RBI** requirements, where applicable.

8. Approval and Amendments

- It will be reviewed annually and may be amended based on changes in law, regulations, or business structure.