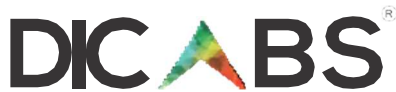


POLICY ON MATERIAL SUBSIDIARIES

(Effective from 14th November, 2022)

Considered and Approved by the Board of Directors on 14-11-2022.

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1. PURPOSE AND SCOPE

Pursuant to the provisions of Regulation 16(1)(c), Regulation 24 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“the Listing Regulations”), Diamond Power Infrastructure Limited (“the Company”) has formulated this Policy for determining material subsidiaries of the Company (“Policy”).

This Policy shall be used for determining material subsidiaries of the Company as and when applicable and to provide governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereinafter, shall have meaning assigned respectively to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications, Circulars made or issued thereunder, as amended, from time to time.

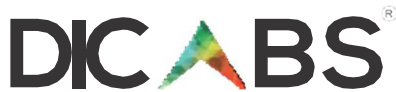
2. IDENTIFICATION OF MATERIAL SUBSIDIARY

A Subsidiary shall be considered as “material subsidiary”, **whose income or networth exceeds ten percent of the consolidated income or net worth respectively**, of the Company and its subsidiaries in the immediately preceding accounting year.

Material Non Listed Indian Subsidiary shall mean a Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges. A list of such Material subsidiaries and Material Non Listed Indian Subsidiaries shall be presented to the Audit Committee annually for its noting.

3. GOVERNANCE FRAMEWORK

- (1) The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- (2) The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the Company.
- (3) The management of the unlisted subsidiary shall 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.

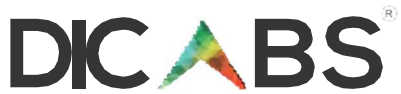


Explanation - For the purpose of this sub-clause, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

- (4) At least one independent director on the Board of the Company shall be a director on the Board of the unlisted material subsidiary, whether incorporated in India or not.

Explanation - For the purpose of this sub-clause, notwithstanding anything to the contrary contained in regulation 16, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- (5) The Company shall not dispose of shares in its material subsidiary resulting in reduction of its 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 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 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- (6) The 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- (7) Where a Company has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
- (8) The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified. Also, the Company shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year.



4. DISCLOSURE

The Company shall upload this Policy on its website and a web link thereto shall be provided in the Annual Report.

5. POLICY REVIEW

Any subsequent amendment / changes to the Listing Regulations and / or other laws in this regard shall automatically apply to this Policy. The same shall be added / amended / modified from time to time as authorized by the Audit Committee/Board with due procedure.
