



Policy for Determining Material Subsidiary Companies

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1. Introduction and Purpose:

The Board of Directors [the "Board"] of Hindalco Industries Limited [the "Company"] has adopted this policy for determining material subsidiary(ies) of the Company in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the "Listing Regulations"] or such other rules/regulations, as may be notified by Securities and Exchange Board of India from time to time. This policy will be used to determine the material subsidiaries of the Company and to layout the governance framework for such subsidiaries.

2. Definitions:

The capitalized terms used in this Policy shall have the meaning ascribed to such terms in the Companies Act, 2013, rules made thereunder and the Listing Regulations [collectively, "Statutory Provisions"], as the case may be.

3. Identification of Material Subsidiary:

A Subsidiary shall be considered material, if, its turnover or net worth exceeds ten per cent (10%) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

4. Governance Framework:

- i. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
- ii. The minutes of the meeting of board of directors of the unlisted Subsidiary of the Company shall be placed at the meeting of Board of the Company, at regular intervals.
- iii. The management of the unlisted Subsidiary of the Company shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions and arrangements entered into by the unlisted Subsidiary.
- iv. The Company shall not dispose of shares in its Material Subsidiary which would reduce Company's shareholding (either on its own or together with other Subsidiaries of the Company) to less than fifty percent (50%) or cease the exercise of Control over the Subsidiary without passing a special resolution in Company's general meeting except in case 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved .
- v. Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved. Nothing contained in this clause shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

- vi. At-least one Independent Director of the Company shall be a director on the Board of directors of unlisted Material Subsidiary, whether incorporated in India or not. For the purposes of this provision, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent (20%) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

5. Disclosures:

The Policy shall be uploaded on the website of the Company i.e. www.hindalco.com and a web link thereto shall be provided in the Company’s Annual Report.

6. Interpretation:

All the words and expressions used in this Policy, unless defined herein, shall have meaning assigned to them under the Act, Listing Regulations, statutory enactments and rules, notifications, circulars issued thereunder, as amended, from time to time (collectively the “**Statutory Provisions**”).

In case of any conflict between the provisions of this Policy and of Statutory Provisions the Statutory Provisions shall prevail over this Policy. Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this Policy.

In case of any clarification required with respect to this Policy, kindly contact the Company Secretary of the Company.

7. Review:

This policy shall be reviewed periodically, as may be deemed necessary.
