

TONBO IMAGING INDIA LIMITED**POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

This Policy for determining ‘material’ subsidiary companies has been framed in accordance with the provisions of Regulation 16(1)(c) and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The Policy will be used to determine the Material Subsidiaries of Tonbo Imaging India Limited (“Company”), and to provide the governance framework for such subsidiaries.

Accordingly, the board of directors of Company (“Board”) has adopted this Policy at its meeting held on December 20, 2025, which can be amended from time to time.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned 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 and Circulars made/issued thereunder, as amended, from time to time.

1. Identification of ‘Material’ subsidiary:

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

2. Governance framework

- a) The Audit Committee of the Company shall annually review the financial statements, in particular, the investments made by the unlisted subsidiary company.



- b) The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the Company.
- c) The management of the unlisted subsidiary shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

A transaction or arrangement shall be considered significant if it exceeds or is likely to exceed 10 percent of total revenues or total expenses or total assets or total liabilities as the case may be, of the unlisted subsidiary for the immediately preceding financial year.

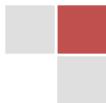
- d) In case if a listed holding Company has a listed subsidiary, the policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
- e) At least one Independent Director of the Company shall be a director on the Board of the unlisted material subsidiary company, whether incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in Clause 2 above, the term "**material subsidiary**" shall mean a subsidiary, whose turnover or net worth exceeds 20 percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

- f) The Company shall obtain prior approval of shareholders by way of special resolution, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) results in reduction of its shareholding, to less than 50 percent or the Company ceases the exercise of control over such subsidiary;

Such approval shall not be required if the disinvestment is:

- i. Under a scheme of arrangement duly approved by a Court/Tribunal, or
- ii. 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.

g) The Company shall obtain prior approval of shareholders by way of special resolution, if any sale, disposal and leasing of assets amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year;

Such approval shall not be required, if such sale, disposal, lease of assets is:

- i. Under a scheme of arrangement duly approved by a Court/Tribunal, or
- ii. 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.

h) Every material unlisted subsidiary incorporated in India shall undertake secretarial audit and the secretarial audit report, given by a company secretary in practice shall be annexed with the annual report of the Company.

3. Amendments:

- i. Any amendment or variation to this Policy shall be undertaken in compliance with the SEBI Listing Regulations and other applicable law.
- ii. Notwithstanding the above, this Policy will stand amended to the extent of any change in applicable law, including any amendment to the SEBI Listing Regulations, and the SEBI Listing Regulations, without any action from the Company or approval of the shareholders of the Company.





CIN: U74140KA2003PLC033043

www.tonboimaging.com

4. Website:

This Policy shall be hosted on the website of the Company (www.tonboimaging.com)



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