AIRIQ 365 LIMITED

(FORMERLY KNOWN AS AIR IQ INDIA LIMITED)

Policy for determining Material Subsidiary

[Pursuant to regulation 46(2)(h) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

CIN: U79110WB2025PLC279731

Registered Office: ASMI SQUARE, 2nd Floor, 2nd Mile, Sevoke Road, Darjeeling, Siliguri, West Bengal, India, 734001

1. Introduction

The Board of Directors (the "**Board**") of Air IQ India Limited (the "**Company**") had adopted the policy and procedures regarding the determination of Material Subsidiaries on 05th June 2025. The said policy has been prepared in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Listing Regulations")**.

Regulation 16(1)(c) read with Regulation 46(2)(h) of Listing Regulations requires the Company to formulate a policy for determining 'material' subsidiary and publish such policy on its website.

2. Policy Objective

The objective of this Policy is to determine the Material Subsidiaries (defined herein below) of the Company and to provide a governance framework for such subsidiaries.

3. Definitions

"Act" means the Companies Act, 2013.

"**Audit Committee** or **Committee**" means "**Audit Committee**" constituted by the Board of Directors of the Company, from time to time, in accordance with the provisions of Listing Regulations / erstwhile Listing Agreement and the Companies Act, 2013.

"**Board of Directors**" or "**Board**" means the Board of Directors of the Company, as constituted from time to time.

"**Company**" means Air IQ India Limited.

"Independent Director" means a director of the Company, not being a whole-time director or nominee director and who satisfies other criteria for independence in accordance with the applicable provisions under the Companies Act, 2013 and Listing Regulations.

"Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof.

"**Policy**" means this Policy on material subsidiaries.

"**Material Subsidiary**" shall mean a subsidiary whose income or net worth exceeds ten per cent of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"**Net Worth**" means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.

"**Significant transaction or arrangement**" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten per cent 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.

"**Subsidiary(ies)**" means subsidiary of the Company as defined in the Companies Act, 2013, and the rules made thereunder.

"**Unlisted Material Subsidiary**" means an unlisted subsidiary, incorporated in India, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth, respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

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

4. Criteria For Determining Material Subsidiary

A Subsidiary shall be a Material Subsidiary if any one of the following conditions is satisfied:

a. If the turnover of the subsidiary exceeds ten per cent of its consolidated turnover of the Company and its subsidiaries in the immediately preceding accounting year; or
b. If the net worth of the subsidiary exceeds ten per cent of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.

Based on audited consolidated and standalone annual financial statements of the Company and its Subsidiaries, in each financial year, the Company would identify the Subsidiaries which would get covered under the definition of material subsidiary as provided above.

5. Governance framework for the Material Subsidiary(ies)

A. If any subsidiary is found to be 'material', the Company should comply with the following:

i. The management of the Material 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 said unlisted material subsidiary.

ii. The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with subsidiaries) to less than or equal to 50% 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.

iii. The Company shall not sell, dispose off or lease any assets amounting to more than twenty per cent of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution. However, the said approval is not required if the sale/disposal/lease is made under a scheme of arrangement duly approval 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.

iv. Where a listed subsidiary of the Company is itself a holding company of a Material Subsidiary, the provisions of this Policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

B. At least one independent director of the Board of the Company shall be a director on the Board of Directors of an Unlisted Material Subsidiary, whether incorporated in India or not.

C. The Company shall comply with such other requirements in relation to Material Subsidiary as may be mandated under the Act and/ or Listing Regulations, from time to time.

i. The Company shall disclose events or information as covered under Regulation 30(9) of Listing Regulations with respect to subsidiaries, which are material to it.
ii. The Audit Committee of the Company shall review the financial statements, particularly the investments made by the unlisted subsidiary.
iii. The financial statement of material subsidiaries shall be hosted on the Company's website.
iv. The minutes of the meeting of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the Company.

v. The management of the unlisted subsidiary shall periodically bring to the notice of the board of the directors of the Company, a statement of Significant transactions and arrangements entered into by the unlisted subsidiary in a format similar to the format prescribed in the relevant accounting standards.

vi. The material subsidiary/ies incorporated in India shall undertake a secretarial audit and annex a secretarial audit report, given by a company secretary in practice in such form as specified, with the annual report of the Company.

vii. A listed entity 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

viii. 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

6. Disclosure

This Policy shall be disclosed on the Company's website & a web link thereto shall be provided in the Annual Report of the Company.

7. Amendment

The Board may amend or modify this Policy in whole or in part, from time to time

If, due to subsequent changes in the Act or/and Listing Regulations, a particular Standard or any part thereof becomes inconsistent with the Act or/and Listing Regulations, the provisions of the Act or/ and Listing Regulations shall prevail.

8. General

It is clarified that the Policy is solely for the purpose of disclosure requirements prescribed under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 with respect to the Offer Documents, and should not be applied towards any other purpose, including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory, judicial, quasi-judicial, governmental, administrative or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints. This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time. All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.

Effective Date: 08th December 2025

Place:Siliguri