DREDGING CORPORATION OF INDIA LIMITED
(“DCIL”)
(CIN NO.L29222DL1976PLC008129)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

REGISTERED OFFICE:	CORPORATE OFFICE:
CORE 2, FIRST FLOOR, “SCOPE MINAR”, PLOT NO. 2A & 2B, LAXMINAGAR DISTRICT CENTRE, DELHI – 110091	“DREDGE HOUSE”, HB COLONY MAIN ROAD, SEETHAMMADHARA, VISAKHAPATNAM ANDHRA PRADESH — 530022

APPROVED BY THE BOARD IN ITS 372th BOARD MEETING HELD ON 04.08.2026 VIDE AGENDA ITEM NO 372/12

CONTENT

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1. Preface and Objective

Dredging Corporation of India Limited (“DCIL” or the “Company”), being a listed entity, is required to formulate and maintain a Policy for determining ‘Material’ Subsidiary in accordance with Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “Listing Regulations”).

As per Regulation 16(1)(c), “Material Subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Explanation. - The listed entity shall formulate a policy for determining ‘material’ subsidiary.

In view of the above, DCIL, being a listed company, has formulated this Policy for determining a ‘Material Subsidiary’ in compliance with the aforesaid statutory and regulatory requirements.

2. Objective & Effective Date of this Policy

This Policy is formulated in accordance with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI LODR") and is intended to ensure governance of the Company's material subsidiary companies.

The Board of Directors (the “Board”) of the Company has adopted the following policy with regard to the determination of its Material Subsidiaries.

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

The effective Date of this Policy is date of Board approval.

3. Definitions

- **“Act”** means Companies Act, 2013 including any statutory modification or re-enactment thereof.

- **“Board of Director” or “Board”** means the Board of Directors of the Dredging Corporation of India Limited, as constituted from time to time.

- **“Company”** means Dredging Corporation of India Limited or DCIL.

- **“Holding Company”** means Holding Company as defined under Section 2(46) of the Act.

- **“Independent Director”** means an Independent Director as defined in Section 2(47) of the Act read with Regulation 16(1)(b) of SEBI Listing Regulations and as may be amended from time to time.

- **“Policy”** means this Policy on Material Subsidiaries and as may be amended from time to time.

- **“Subsidiary Company / Subsidiary”** means Subsidiary Company/Subsidiary as defined under Section 2(87) of the Act and the Rules made there under.

4. Criteria for determining Material Subsidiary and Compliance

4.1 Criteria for determining Material Subsidiary

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

4.2 Compliance

- The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

- 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 listed entity.

- 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 regulation, 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.

- 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.

- 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.
  This clause shall not be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

- The Company and its unlisted Material 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.

5. One Director of the Company on the Board of Unlisted Material Subsidiary

5.1 Criteria for determining Material Subsidiary

For the purpose of below-mentioned requirement only, notwithstanding anything to the contrary contained in this Policy, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% (twenty percent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

5.2 Compliance

At least one independent director on the Board of Directors of the Company shall be a director on the board of directors of an unlisted material subsidiary whether incorporated in India or not.

6. Amendments

The policy shall be reviewed annually or at earlier intervals, if necessary, by the Board. Consequent upon any changes in law/rules/regulation/regulatory guidelines etc., such changes shall be deemed to be a part of the policy and same shall be placed before the Board for ratification/approval.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations or laws, the provisions of such law, legislation, rules, regulation or enactment shall prevail over this Policy

7. Interpretation

Any words used in the Policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made there under, SEBI Act or Rules and regulations made there under, SEBI LODR or any other relevant legislation/ law applicable to the Company.

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