HYPERSOFT TECHNOLOGIES LIMITED
CIN: L62010TG1983PLC003912
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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

[Regulation 16(1)(c) and Regulation 24 of SEBI (LODR) Regulations, 2015]

1. Preamble and Objective

Hypersoft Technologies Limited ("the Company") has framed this Policy for Determining Material Subsidiaries ("the Policy") pursuant to Regulation 16(1)(c) read with Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of this Policy is to determine the material subsidiaries of the Company and to lay down the governance framework applicable to such subsidiaries.

2. Definition of Material Subsidiary

"Material Subsidiary" means 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. The Board of Directors may, at its discretion, designate any subsidiary as a material subsidiary on grounds of strategic importance, even if such subsidiary does not meet the financial threshold.

3. Governance of Material Subsidiaries

(a) At least one Independent Director on the Board of the Company shall be a Director on the Board of an unlisted material subsidiary of the Company, whether incorporated in India or not.

(b) The Audit Committee of the Company shall review the financial statements of the unlisted subsidiary, in particular the investments made by it.

(c) The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the next meeting of the Board of Directors of the Company.

(d) 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.

4. Disposal of Shares in a Material Subsidiary

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 per cent, or cease the exercise of control over the subsidiary, without passing a special resolution at a general meeting of the Company. This restriction shall not apply in cases where such divestment is made under a scheme of arrangement approved by a Court or Tribunal, or under a resolution plan approved under the Insolvency and Bankruptcy Code, 2016.

5. Sale, Disposal or Lease of Assets of a Material Subsidiary

Selling, disposing of or leasing of assets of a material subsidiary amounting to more than twenty per cent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of the shareholders of the Company by way of a special resolution, except where such sale, disposal or lease is effected under a scheme of arrangement approved by a Court or Tribunal or under the Insolvency and Bankruptcy Code, 2016.

6. Present Status and Review

As on the date of adoption of this Policy, the Company does not have any subsidiary. This Policy shall apply as and when the Company has a material subsidiary. The Board may review and amend this Policy from time to time. This Policy shall be hosted on the website of the Company at www.hypersoftindia.com.