



Astral Poly Technik Limited

Policy on Material Subsidiary

Preamble:

- ❖ The Board of Directors (the “Board”) of Astral Poly Technik Limited (the “Company”), a listed Holding Company of various subsidiary companies, being unlisted bodies corporate in India & Overseas, has adopted this policy for determining a `Material` subsidiary.
- ❖ This Policy is amended in accordance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 to further amend the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“SEBI LODR”) with effect from April 1, 2019 and is intended to ensure governance of the Company’s material subsidiary companies.

Definitions:

The definitions of some of the key terms used in this Policy are given below:

- ❖ “Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- ❖ “Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.
- ❖ “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 clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges 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.

Identification of Material Subsidiary Company:

- ❖ **“Material subsidiary”** shall mean a subsidiary, whose income or net worth exceeds twenty percent (ten percent w.e.f. April 1, 2019) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year or such other limits as may be prescribed by SEBI LODR Regulations, as amended from time to time. (**“Material Subsidiary”**).
- ❖ A material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% (twenty per cent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year

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.
- ❖ The management should 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.

For the purpose of this sub-clause, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total

assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

- ❖ The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- ❖ The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed holding company. The management should periodically bring to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
- ❖ The Company and its material unlisted 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 with effect from the year ended 31st March, 2019.

Disposal of Shares /Assets of Material Subsidiary:

- ❖ The Company shall not dispose of shares in its material subsidiary which would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in the 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.

- ❖ The Company shall not sell, dispose and lease assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year unless it obtains the prior approval of shareholders by way of special resolution, except where 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.

Amendments:

- ❖ The Board shall have the power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace this policy entirely with a new Policy.