

AMINES & PLASTICIZERS LTD.

Material Subsidiary Policy

Amendments

Date of recommendation by Audit Committee, if any	Date of Board approval
August 11, 2023	August 11, 2023

1. Introduction

- 1.1 This policy intends to determine the material subsidiaries of the Company. This policy also stipulates the governance procedures with regard to material subsidiaries so determined.
- 1.2 The Board of Directors (the “Board”) of Amines and Plasticizers Limited (the “Company”), has adopted this policy and procedures with regard to determination of Material Subsidiaries.
- 1.3 This policy substitutes the current Material Subsidiary Policy of the Company dated October 01, 2014 with effect from April 01, 2019. The provisions of the listing agreement are being substituted by the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time.

2. Requirements of the Policy

- 2.1 All listed companies are required by Securities Exchange Board of India (SEBI) through the SEBI Listing Regulations to formulate a policy for determination of “**Material Subsidiaries**”. The Company being a listed company is required to adhere to these provisions.
- 2.2 This policy is intended to identify and ensure governance of such material subsidiary companies.

3. Definitions

“Audit Committee” or “Committee”

- means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of SEBI Listing Regulations and the Companies Act, 2013.

“Board of Directors” or “Board”

- means the “Board of Directors” of Amines and Plasticizers Limited, as constituted from time to time.

"Company"

- means Amines and Plasticizers Limited

"Independent Director"

- means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies all criteria for independence under the Companies Act, 2013 and the SEBI Listing Regulations.

"Material subsidiary"

- means a subsidiary the income or networth exceeds 10 per cent of the consolidated income or consolidated networth in the immediately preceding accounting year.

"Unlisted Material subsidiary"

- means a Material Subsidiary whose securities are not listed on any recognized Stock Exchanges in India.

"Significant transactions or arrangements"

- 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 unlisted subsidiary for the immediately preceding accounting year.

"Consolidated Income or Consolidated Networth"

- means the total income or networth of the Company and its subsidiaries.

Words and expressions used in this policy shall have the same meanings respectively assigned to them in the following:

- The Companies Act, 2013 or the rules framed thereon and
- SEBI Listing Regulations;

4. Governance of a Material Subsidiary

4.1 Role of Audit Committee:

- The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- The management shall present to the Audit Committee annually in the meeting scheduled to be held in first quarter for approval of financial results, the list of material subsidiaries together with the details of the materiality defined herein for its review.

4.2 Deputation of Independent Directors:

- 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, incorporated in India or abroad.

For the purposes of this provision, "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

4.3 Divestment in a Material Subsidiary:

The Company, only with prior approval of the members by Special Resolution in a General Meeting, (except in such cases where divestment is made under a scheme of arrangement duly approved by a court or tribunal) shall:

- dispose shares in Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- cease the exercise of control over the Material Subsidiary; or
- sell, dispose or lease the assets amounting to more than 20% of the assets of the Material Subsidiary .

4.4 General governance principles:

- The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.
- The management shall periodically (at least annually) bring to the attention of the Board of Directors of the Company, a statement of all significant transactions or arrangements entered into by the unlisted subsidiary company.

5. Disclosure

This policy for determining material subsidiaries is to be disclosed on the website of the Company (www.amines.com) and a weblink thereto will be provided in the Annual report of the Company.

6. Amendments

The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
