

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

[Pursuant to Regulation 16 of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

1. INTRODUCTION

The Board of Directors (the “Board”) of Amol Dicalite Limited (the “Company”) has adopted the following policy and procedures with regard to Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

2. TITLE & APPLICABILITY

This Policy shall be called “**Policy for determining material subsidiaries**”. This policy will be applicable to the Company from the day it is adopted by the Board.

3. PURPOSE

This policy is framed as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”). The Company is to have a policy for determination of Material Subsidiaries of Company and to provide for the governance framework for such subsidiaries.

4. DEFINITIONS

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under SEBI (LODR) Regulation 2015 and the Companies Act, 2013.

“**Board of Director**” or “**Board**” means the Board of Directors of Amol Dicalite Limited, as constituted from time to time.

“**Company**” means Amol Dicalite Limited.

“**Material Subsidiary**” is a subsidiary that satisfies any of the following conditions:

- a) In which the Investment of the Company, exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- b) have generated 20% of the consolidated income of the Company during the previous financial year

“**Material Non Listed Indian Subsidiary**” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

“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 material unlisted subsidiary for the immediately preceding accounting year.

“Subsidiary” shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

5. POLICY

- i. A subsidiary shall be a **Material Subsidiary**, if any of the following conditions are satisfied:
 - a) in which the investment of the Company exceeds twenty percent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
 - b) which have generated twenty percent of the consolidated income of the Company during the previous financial year.
- ii. One Independent Director of the Company shall be a director on the Board of the material non-listed Indian subsidiary company.
- iii. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by all the unlisted subsidiary companies on quarterly basis.
- iv. The minutes of the Board Meetings of all the unlisted subsidiary companies shall be placed before the Board of the Company on quarterly basis.
- v. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by all the unlisted subsidiary companies.
- vi. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director on the board of material non-listed Indian subsidiary.

6. DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not without passing a special resolution in its general meeting:

- i. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than fifty percent ; or
- ii. ceases the exercise of control over the subsidiary; or

iii. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary.

Provided that no such prior approval of shareholders by way of special resolution in general meeting will be required if the sale, disposal, lease is made pursuant to a scheme of arrangement duly approved by a Court/Tribunal.

7. SCOPE AND LIMITATION:

In the event of any conflict between the provisions of this Policy and the SEBI's (LODR) Regulations, 2015/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

8. DISSEMINATION

Pursuant to Regulation 46 of SEBI (LODR) Regulations 2015, this policy for determining Material Subsidiaries shall be disclosed on the website of the Company