

# **AMINES & PLASTICIZERS LIMITED**



## **POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

*Last amended on February 13, 2025*



## POLICY FOR DETERMINING MATERIAL SUBSIDIARY

### 1. PURPOSE AND SCOPE

This policy is formulated for providing a framework for determination of Material Subsidiary Companies of Amines & Plasticizers Limited as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Policy also intends to provide a governance framework for such Material Subsidiary Companies, in terms of the applicable provisions of the Companies Act, 2013 and the Listing Regulations. (as amended).

### 2. REQUIREMENT

Regulation 16(1)(c) of the Listing Regulations requires the listed companies to frame a Policy on determining the material subsidiaries, duly approved by its Board of Directors. The Board of Directors of Amines & Plasticizers Limited ('the Company') has accordingly approved this, Policy.

### 3. DEFINITIONS

For the purpose of this Policy, the following terms shall have the meanings assigned to them hereunder:

- a) **"Board"** implies the Board of Directors of Amines & Plasticizers Limited;
- b) **"Company"** means Amines & Plasticizers Limited;
- c) **"Control"** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner;
- d) **"Independent Director"** a Non-Executive Director of the Company, other than a Nominee Director and who is neither a promoter nor belongs to the promoter group of the company, and who satisfies other criteria's for independence mentioned in the Companies Act, 2013 and the Listing Regulations;
- e) **"Material Subsidiary"** implies a subsidiary whose turnover or net worth exceeds 10% (unless specified otherwise, for any specific purpose, in terms of the provisions of applicable laws) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year;
- f) **"Unlisted Material subsidiary"** means a Material Subsidiary whose securities are not listed on any recognized Stock Exchanges in India.
- g) **"Policy"** implies this Policy on determination of Material Subsidiaries of the Company;
- h) **"Significant Transaction or Arrangement"** implies 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;
- i) **"Subsidiary"** shall mean as defined under Section 2(87) of the Companies Act, 2013 and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation, as amended from time to time.

#### **4. MATERIAL SUBSIDIARY**

The term '**Material subsidiary**' has been defined under Regulation 16 (l)(c) of the Listing Regulations so as to mean a subsidiary whose turnover or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

However, for the purpose of applicability of corporate governance requirements under the Regulation 24 of the Listing Regulations i.e. appointment of Independent Directors in material subsidiary, the material subsidiary shall mean the following: -

- a) Unlisted material subsidiary whether incorporated in India or not;
- b) Subsidiary whose turnover or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Amines And Plasticizers FZ-LLC, UAE is a Wholly owned Subsidiary. Presently, the said subsidiary does not satisfy the criteria of materiality, hence it is not a material subsidiary.

Presently, the Company does not have any subsidiary other than the one referred above.

#### **5. GOVERNANCE OF MATERIAL SUBSIDIARY:**

##### **A. INDEPENDENT DIRECTOR ON THE BOARD OF MATERIAL UNLISTED SUBSIDIARY**

At least one Independent Director on the Board of the Company shall be a director on the board of the Unlisted Material Subsidiary, whether incorporated in India or overseas.

##### **B. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY**

The Company shall not dispose of shares in its Material Subsidiary which would reduce its 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 its General Meeting except in such cases where 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

##### **C. RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY**

Selling, disposing and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require a 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

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

#### **D. SECRETARIAL AUDIT OF MATERIAL UNLISTED SUBSIDIARIES IN INDIA**

The Material Unlisted Subsidiaries of the Company incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.

#### **E. 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.

#### **F. GENERAL GOVERNANCE PRINCIPLES:**

- (i) The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.
- (ii) 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.

### **6. DISCLOSURE**

This Policy shall be hosted on the Company's website viz., [www.amines.com](http://www.amines.com) and the web link shall be provided in the Annual Report.

### **7. AMENDMENTS TO THE POLICY**

Any or all provisions of this policy would be subject to the 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 clarification(s), circular(s) etc.