



## POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

POLYCHEM LIMITED  
CIN : L24100MH1955PLC009663  
7, JAMSHEDJI TATA ROAD, CHURCHGATE RECLAMATION,  
MUMBAI – 400 020.

**TITLE:**

This Policy shall be called the ‘Policy for determining Material Subsidiaries’.

**OBJECTIVE:**

This Policy is framed in accordance with the requirements of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) for the purpose of determination of Material Subsidiaries and their governance. The Company is required to disclose the policy on its website.

**DEFINITIONS:**

- a. “Board” means the Board of Directors of Polychem Limited.
- b. “Company” means Polychem Limited.
- c. “Control” shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d. “Policy” means this Policy, as amended from time to time.
- e. “Material Subsidiary” shall mean a subsidiary, whose income 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
- f. “Subsidiary” means a subsidiary as defined under Sub-section (87) of Section 2 of the Companies Act, 2013

Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations or any other relevant legislation / law applicable to the Company.

**POLICY**

A subsidiary shall be considered as **Material** if –

- the income or networth of the subsidiary exceeds ten percent of the consolidated income or networth respectively in the immediately preceding accounting year.

## **REQUIREMENT REGARDING MATERIAL SUBSIDIARY**

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or
- dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

unless in cases where the divestment/ sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

### **APPLICABILITY:**

Regulation 24 of SEBI (LODR) Regulations, 2015 is applicable to Company to the extent of provision relating to listed material subsidiary. As the Company have only one listed Indian Subsidiary.

### **AMENDMENTS:**

The Board shall have the power to amend any of the provisions of this Policy except in case of any regulatory amendments where the Policy shall stand amended automatically by operation of law in line with and to the extent of such amendment.