
POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION

The Board of Directors of Camlin Fine Sciences Ltd. has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

TITLE

This Policy shall be called ‘Policy for Determining Material Subsidiaries’.

OBJECTIVE

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

The Policy is framed in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

DEFINITIONS

“**Board of Directors**” or “**Board**” means the Board of Directors of Camlin Fine Sciences Ltd, as constituted from time to time.

“**Company**” means Camlin Fine Sciences Ltd.

“**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 other criteria for independence under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Policy**” means this Policy for Determining Material Subsidiaries’, as amended from time to time.

“**Subsidiary**” shall mean a subsidiary as defined under the Companies Act, 2013 and Rules made thereunder and term Subsidiaries shall be construed accordingly.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

POLICY

A Subsidiary shall be considered as **Material** if-

- the investment of the Company in the Subsidiary exceeds 10 (ten) per cent of its consolidated net worth of the Company and its Subsidiaries in the immediately preceding financial year; or
- the Subsidiary has generated 10 (ten) per cent of the consolidated income of the Company and its Subsidiaries during the immediately preceding financial year.

A list of such Material subsidiaries shall be presented to the Audit Committee annually for its noting.

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 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.

REQUIREMENT REGARDING UNLISTED MATERIAL SUBSIDIARY

1. At least one Independent Director on the Board of the Company shall be a Director on the Board of the Unlisted Material Subsidiary.

For the purpose of this requirement, the Unlisted Material Subsidiary shall mean a Subsidiary, whether incorporated in India or not and is not listed on any of the stock exchanges in India or abroad and whose income or net worth (i.e. paid up capital and free reserves) exceeds 20 % (twenty percent) of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding financial year.

2. Every Unlisted Material Subsidiary 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 March 31, 2019

AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of Material Subsidiary/(ies).

SCOPE AND LIMITATION

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

DISSEMINATION OF POLICY

This policy shall be hosted on the intra-net and website of the Company and a web link thereto shall be provided in the annual report of the Company.
