



Himadri Speciality Chemical Ltd

CIN: L27106WB1987PLC042756

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Version	Revision Date	Approved By	Date Approved
Adopted on	12 February 2015	Board	09 November 2015
V1	29 June 2021	Board	29 June 2021
V2	10 February 2023	Board	10 February 2023

Policy for Determining Material Subsidiaries

PREAMBLE

The Board of Directors (the “Board”) of Himadri Speciality Chemical Ltd (the “Company”) in compliance with the provisions of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) is required to formulate a policy for determination of Material Subsidiaries.

TITLE

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

COMMENCEMENT

This Policy shall come into effect from 1st December 2015.

OBJECTIVE

- i. This Policy is framed in accordance with the requirement of revised Listing Regulations (including any amendments/modifications thereof) and is intended to ensure good corporate governance of material subsidiary companies.
- ii. The Company is required to disclose this policy on its website (www.himadri.com) and a web link thereto shall be provided in its’ Annual Reports as prepared on close of every financial year.

DEFINITIONS

- a. “Board” means the Board of Directors of Himadri Speciality Chemical Ltd.
- b. “Company” means Himadri Speciality Chemical Ltd.
- c. “Holding Company” means holding company as defined in Section 2(46) of the Companies Act, 2013
- d. “Policy” means this Policy, as amended from time to time.
- e. “Subsidiary Company” or “Subsidiary” means “Subsidiary” as defined in Section 2(87) of the Companies Act, 2013

DETERMINATION OF MATERIALITY

- a. A subsidiary shall be considered as material, if its’ 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.

*For the purpose of Regulation 24 of Listing Regulations, 2015 the term “material subsidiary” shall mean a subsidiary, whose income 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.

GOVERNANCE FRAMEWORK

The Audit Committee of the Company shall review the financial statements, specifically focusing on the investments made by the Unlisted Subsidiary Companies associated with HSCL. The minutes of the Board Meetings of the Unlisted Subsidiary Companies, if any, shall be placed before the Board of the Company. 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 the Unlisted Subsidiary Companies. One Independent Director of the Company shall be a director on the Board of the Unlisted Material Subsidiary Company.

RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose off shares in its Material Subsidiary which would reduce its shareholding to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a resolution, as applicable, 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the solution plan being approved.

RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of a resolution, as applicable, 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

AMENDMENTS

This policy may be amended, modified or substituted by the Board from time to time in line with applicable provisions of the Listing Regulations, 2015.

INTERPRETATION

Interpretation of the words used in this policy but not defined herein shall have the same meaning as provided in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Regulations 2015 or any other relevant legislation / law applicable to the Company.

Dated: 10 February 2023

Sd/-
Anurag Choudhary
Chairman Cum Managing
Director & CEO