



INDIA GLYCOLS LIMITED
(CIN: L24111UR1983PLC009097)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION

As per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any amendments thereof), the Company is required to formulate a policy for determining ‘material’ subsidiary of the Company.

This policy shall be called Policy for determining material subsidiaries and aims to determine Material Subsidiary (ies) of India Glycols Limited (“Company”).

DEFINITIONS

“Board of Directors” means the Board of the Company.

“Subsidiary” shall mean a subsidiary as defined under the Companies Act, 2013 and Rules made thereunder and as may be amended from time to time.

“Material Subsidiary” shall mean a subsidiary whose:

- a. Net worth exceeds 10% of Company’s consolidated net worth in the immediately preceding accounting year; or
- b. Income exceeds 10% of the Company’s consolidated income in the immediately preceding accounting year.

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



GOVERNANCE FRAMEWORK

- (1) At least one independent director on the board of directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

However, for the purpose of this provision, 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 Company and its subsidiaries in the immediately preceding accounting year.

- (2) The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such 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.
- (3) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company 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 Code.
- (4) Each of the Company’s material unlisted subsidiaries 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.

DISCLOSURE

The Policy shall be disclosed on the website of the Company at www.indiaglycols.com and a weblink thereto shall be provided in the Annual Report of the Company.



ADMINISTRATION AND REVIEW OF THE POLICY

The Board of Directors shall be responsible for the interpretation, administration, review and amendment of this policy and may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which make any of the provisions in the Policy inconsistent with the Act or Regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This Policy was last modified 14th February, 2019 effective from 1st April, 2019