



DE NORA INDIA LIMITED
CIN: L31200GA1993PLC001335

Policy for determining 'material' subsidiary
[Pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Registered Office:

Plot Nos. 184, 185 & 189, Kundaim Industrial Estate,
Kundaim, Goa – 403115



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. INTRODUCTION:

The policy for determining material subsidiary companies has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The purpose of this policy is to lay down criteria to determine Material Subsidiaries of the Company and provide a governance framework for such subsidiaries. disclosure thereof as required under Listing Regulations.

All the words and expressions used in this Policy, unless defined hereafter, shall have the meaning respectively assigned to them under the Listing Regulations and in absence of its definition or explanation therein, as per the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules, Notifications and Circulars made or issued thereunder, as amended, from time to time. In case of any conflict between the law and the policy, the law shall prevail.

This policy shall be operational with effect from April 1, 2022.

2. DEFINITIONS:

- a. “**Company**” means of De Nora India Limited.
- b. “**Board**” shall mean Board of Directors of De Nora India Limited.
- c. “**Subsidiary**” shall mean as defined under Act and the Rules made thereunder.
- d. “**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds 10% percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- e. “**Unlisted Subsidiary**” shall mean subsidiary whose securities are not listed on any recognized Stock Exchanges
- f. “**Significant transaction or arrangement**” shall mean 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.

3. Governance Framework

- (i) At least one Independent Director of the Company shall be director on the Board of the Unlisted Material Subsidiary whether incorporated in India or not. Only for the purpose of this provision “Material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% (twenty percent) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- (ii) The audit committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- (iii) The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the Company.
- (iv) 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 Company.
- (v) The Company shall not dispose of shares in the Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (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 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.
- (vi) The Company shall not sell, dispose of or lease out assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during the financial year without 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- (vii) Material Unlisted 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.



4. Disclosure:

This Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

5. Review and amendments:

The Board shall have the power to review the policy periodically and amend the same from time to time as may be deemed necessary.