

ASHAPURA MINECHEM LTD.
(CIN: L14108MH1982PLC026396)

**POLICY FOR DETERMINING
MATERIAL SUBSIDIARY**

Ammended on 13th November, 2019

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

[Pursuant to Regulation 16(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

INTRODUCTION:

The Policy for determining 'Material' Subsidiary Companies has been framed in accordance with Regulation 16(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (SEBI Listing Regulations).

POLICY OBJECTIVE:

To determine the Material Subsidiaries of Ashapura Minechem Limited ('Company') and to provide the governance framework for such subsidiaries.

DEFINITIONS:

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

IDENTIFICATION OF 'MATERIAL' SUBSIDIARY:

In terms of Regulation 16(1)(c) the Listing Regulations, 2015, a Subsidiary of the Company shall be considered as a 'Material Subsidiary', if the income or Net Worth of the Subsidiary exceeds 10% of Company's consolidated income or Net Worth respectively as per the audited financial statements of the immediately preceding accounting year.

GOVERNANCE FRAMEWORK:

- a) One Independent Director of the Company shall be a director on the Board of the Material Unlisted Indian Subsidiary Company.
- b) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company.
- c) The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- d) 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.

DISPOSAL OF MATERIAL SUBSIDIARY:

The Company without passing a special resolution in its General Meeting, except in cases where such divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, shall not:

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

DISCLOSURES:

Pursuant to Regulation 46(2)(h) of the SEBI Listing Regulations, the Company is required to publish this policy on its website and a web link thereto shall be provided in the annual report.

POLICY REVIEW:

This Policy may be modified, amended, edited or substituted by the Board of Directors to align with any statutory changes / modifications / amendments as may be required, from time to time.

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