



## **CHEMPLAST SANMAR LIMITED**

Registered Office: 9. Cathedral Road, Chennai 600 086

CIN: U24230TN1985PLC011637

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

#### **INTRODUCTION**

The Board of Directors of Chemplast Sanmar Limited 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 Policy is framed in accordance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Regulations").

The objective of the Policy is to determine material subsidiaries of the Company as defined by SEBI Regulations and to provide a governance framework for such material subsidiaries.

#### **DEFINITIONS**

**"Act"** means the Companies Act 2013 and rules made thereunder from time to time.

**"Board of Directors"** or **"Board"** means the Board of Directors of Chemplast Sanmar Limited, as constituted from time to time.

**"Company"** means Chemplast Sanmar Limited.

**“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 SEBI Regulations  
**“Policy”** means this Policy, as amended from time to time.

**"Subsidiary"** shall mean a subsidiary as defined under the Act and Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Regulations or any other applicable law or regulation.

Presently, the Company has only one material non-listed Indian subsidiary viz. Chemplast Cuddalore Vinyls Ltd.

#### REQUIREMENTS REGARDING MATERIAL SUBSIDIARIES

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the material subsidiaries which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- dispose shares in the material subsidiaries which would cease the exercise of control over the subsidiaries or
- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiaries on an aggregate basis during a financial year, unless where the divestment/ sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

#### **REQUIREMENT REGARDING MATERIAL NON-LISTED INDIAN SUBSIDIARIES**

In case of any subsidiary becoming Material Subsidiary of the Company, the Board will ensure that at least one Independent Director on the Board of the Company is nominated and appointed on the Board of such material non-listed Indian subsidiaries company and disclosure is made to the Board.

## **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 companies.

***Adopted on October 29, 2021. Version 2.***