

**GOTHI PLASCON (INDIA) LIMITED**  
**POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

**BACKGROUND:**

This policy for determining a material subsidiary (“Policy”) of GOTHI PLASCON (INDIA) LIMITED (the “Company”) has been adopted, in accordance with the Listing Regulations. This policy / code has now been revised to be in line with the SEBI Notification No. No. SEBI/LAD-NRO/GN/2018/10 dated 09<sup>th</sup> May 2018 amending the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors of the Company may amend this policy from time to time provided such amendments are in line with the Listing Regulations.

**2. OBJECTIVE OF THE POLICY:**

The objective of this Policy is to determine:

- i) Meaning of Material Subsidiary;
- ii) Restriction on disposal of shares of Material Subsidiary by the Company;
- iii) Restriction on transfer of assets of Material Subsidiary; and
- iv) Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

**3. DEFINITIONS:**

- a) “Board” or “Board of Directors” shall mean the Board of Directors of the Company.
- b) “Company” means GOTHI PLASCON (INDIA) LIMITED.
- c) “Independent Director ” shall have the meaning given to it in the Companies Act, 2013 and Listing Regulations, 2015 .
- d) “Audit Committee” means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and regulation 18 of SEBI LODR.
- e) “Material Subsidiary” means a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth, respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.
- f) “Significant Transaction and Arrangement” means 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.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

**4. SIGNIFICANT TRANSACTIONS / ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES**

The management should periodically bring to the attention of the Board a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary in the format similar to the

format prescribed in the relevant accounting standards for the purpose of disclosure of related party transactions on a consolidated basis,.

#### **5. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY**

The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in a general meeting of its shareholders except in cases where such divestment is made under a scheme of arrangement duly approved by a court/tribunal

#### **6. RESTRICTION ON DISPOSAL OF ITS ASSETS OF MATERIAL SUBSIDIARY**

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) 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

#### **7. OTHER PROVISION RELATED TO MATERIAL SUBSIDIARY**

- a) At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not .
- b) The Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary.
- c) The minutes of the Board meetings of the Unlisted Subsidiary shall be placed at the Board meeting of the Company.
- d) The management of the Company shall annually present to the Board the list of Material Subsidiaries.

\*\*\*\*\*