



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

[Pursuant to Clause 49(V)(D) of the Listing Agreement]

TIME TECHNOPLAST LIMITED

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1. OBJECTIVE:

This policy has been framed under clause 49(V)(D) of Listing Agreement for determining 'material' subsidiaries of the Company and to provide the governance framework for such subsidiaries.

2. DEFINITIONS:

- i. **"The Act"** means the Companies Act, 2013, together with the rules notified there under including any statutory modifications or re-enactments thereof for the time being in force (hereinafter referred to as "Act").
- ii. **"Audit Committee or Committee"** means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of the Act and Listing Agreement with the Stock Exchanges.
- iii. **"Board of Directors" or "Board"**, in relation to a Company, means the collective body of the directors of the Company.
- iv. **"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 Act and the Listing Agreement with the Stock Exchanges.
- v. **"Policy"** means Policy on determining Material Subsidiaries.
- vi. **"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 material unlisted subsidiary for the immediately preceding accounting year.
- vii. **"Subsidiary"** means subsidiary as defined under the Act.

3. POLICY:

❖ **Identification of Material Subsidiary**

A subsidiary shall be a **Material Subsidiary**, if any of the following conditions are satisfied:

- a. Subsidiary in which the Investment of the Company, exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- b. Subsidiary which has generated twenty per cent of the consolidated income of the Company during the previous financial year.

Material non-listed Indian subsidiary shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20 per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding financial year.

❖ **Governance Framework**

- a. At least one **Independent Director** of the Company shall be a director on the Board of the Material Non-Listed 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 on an annual basis.
- 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 unlisted subsidiary company.

❖ Disposal of Material Subsidiary

The Company, without the *prior approval of the members by Special Resolution*, shall not:

- a. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b. ceases the exercise of control over the Subsidiary; or
- c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary.

4. Disclosure:

This policy for determining material subsidiaries is to be disclosed to the Stock Exchanges and in the Annual report of the Company and such other places as may be prescribed by the laws.
