



**Time Technoplast Ltd.**

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

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## 1. **OBJECTIVE:**

The Board of Directors (the “Board”) of the Company has adopted the policy and procedures for determining ‘material’ subsidiary companies (“Policy”) in accordance with the provisions of Regulation 16 1 (c) of the Listing Regulations.

## 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 ten percent (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..
- vii. **“Subsidiary”** means subsidiary as defined under the Act.

### 3. **POLICY:**

#### ❖ **Independent Director on the Board of an Unlisted Material Subsidiary**

At least one independent director on the board of directors of the Company shall be a director on the board of directors of an Unlisted Material Subsidiary, whether incorporated in India or not. For the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16 of the SEBI Listing Regulations, the term “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent (20%) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

#### ❖ **Governance Framework**

- a. 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.
- b. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- c. 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 or equal to fifty percent (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 (20%) 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 laws.

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