



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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1. INTRODUCTION

In compliance with the Securities and Exchange Board of India (SEBI) notification dated September 2, 2015, introducing the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Board is required to establish a policy to identify "Material Subsidiaries" under Regulation 16(1)(c) of Chapter IV of the Listing Regulations. Consequently, in adherence to these regulations, the Board of Directors has approved this policy for the determination of "Material Subsidiaries" at its meeting held on February 11, 2025.

2. PURPOSE OF THE POLICY

2.1 The purpose of this Policy is to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

2.2 The Policy also intends to ensure governance of Material Subsidiaries by, inter alia, complying with directorship requirements, review of financial statement, bringing to the attention of the Board certain transactions/arrangement formulating rules regarding disinvestment of shares held by the Company in the Material Subsidiaries, and restrictions on selling/disposing/leasing of assets by the Material Subsidiaries.

3. SCOPE AND LIMITATION

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

4. DEFINITIONS

‘Act’ means the Companies Act, 2013 and Rules made thereunder.

‘Audit Committee’ means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act read with Regulation 18 of the Listing Regulations.

‘Board of Directors’ or ‘Board’ means the Board of Directors of the Company, as constituted from time to time.

‘Company’ means Time Technoplast Limited.

‘Control’ shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

‘Independent Director’ means Director of the Company, not being Whole-Time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Act read with Regulation 16(b) of the Listing Regulations.

‘Management’ means the Senior Management and Key Managerial Personnel of the Company.

‘Material Subsidiary’ shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

‘Policy’ means this policy for determining Material Subsidiary(ies).

‘Significant Transaction or 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 material unlisted subsidiary for the immediately preceding accounting year.

‘Subsidiary Company’ or ‘Subsidiary’ means subsidiary Company as defined under Section 2(87) of the Act and the rules made thereunder.

‘Unlisted Subsidiary’ means any Subsidiary of the Company whose shares are not listed on any recognized stock exchange in India.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or any other applicable laws or rules or regulation to the extent applicable to the Company.

5. GOVERNANCE FRAMEWORK WITH RESPECT TO SUBSIDIARY OF THE COMPANY

At least one (1) 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.

The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary.

The minutes of the meetings of the Board of Directors of the Unlisted Subsidiary shall be placed at the meeting of the Board of Directors of the Company.

The Management of the Unlisted Subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary.

6. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose of shares in its Material Subsidiary resulting in reduction of 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 without passing a special resolution in its General Meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of Insolvency and Bankruptcy Code 2016 and such an event is disclosed to the recognized Stock Exchanges within one (1) day of the resolution plan being approved.

7. RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY BY THE LISTED ENTITY

Selling, disposing and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of Shareholders by way of Special Resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized Stock Exchanges within one day of the resolution plan being approved.

8. DISCLOSURE

This Policy shall be disclosed on the website of the Company in pursuance of Regulation 46(2)(h) of the Listing Regulations and a web link thereto shall be provided in the Annual Report of the Company.

9. SECRETARIAL AUDIT

Every Unlisted Material Subsidiary incorporated in India, shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by the company secretary.

10. AMENDMENTS AND MODIFICATION IN THE POLICY

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 as it may deem necessary. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy.

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.
