



“DHAMPUR BIO ORGANICS LIMITED”

“POLICY FOR DETERMINING MATERIAL SUBSIDIARY”

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1. OBJECTIVE:

The objective of this Policy is to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

2. DETERMINATION OF MATERIAL SUBSIDIARY:

A Subsidiary of the Company shall be considered as a ‘Material Subsidiary’, if the income or net worth of the Subsidiary exceeds 20 % of consolidated income or net worth respectively of the Company and its Subsidiaries as per the audited financial statements of the immediately preceding accounting year.

3. GOVERNANCE FRAMEWORK:

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.

The audit committee of the listed entity 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 listed entity, from time to time.

The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

“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 unlisted subsidiary for the immediately preceding accounting year.

A listed entity 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 the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

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.

4. AMENDMENTS TO THE POLICY:

The Policy is to be reviewed by the Board of Directors as and when any changes are to be incorporated in the policy due to change in the Regulations or as may be felt appropriate by the Board. The Board of Directors on its own, can amend this Policy, as and when deemed fit.

In case of any subsequent amendment(s), clarification(s), circular(s) in the provisions of the law or any other regulations ("the Regulations") which makes any of the provisions in the policy inconsistent with the said Regulations, then such amendment(s), clarification(s), circular(s) etc. would prevail over this Policy and the provisions in the policy shall stand amended accordingly to make it consistent with such amendment(s), clarification(s), circular(s) etc.

5. DISCLOSURE OF THE POLICY:

This Policy shall be posted on the website of the Company and a web link thereto shall be provided in the Annual Report.
