



Ddev Plastiks Industries Limited

CIN: L24290WB2020PLC241791

Registered Office: 2B, Pretoria Street, Kolkata- 700 071

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. Purpose and Scope:

The policy for determining 'material subsidiary' companies have been framed in accordance with the provisions of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy will be used to determine the Material Subsidiary/Subsidiaries of the Company and to provide the governance framework for such subsidiary/subsidiaries.

All the words and expressions used in this policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

2. Definitions:

- a. Audit Committee means the committee constitute by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- b. Material Subsidiary shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth, respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- c. Material Unlisted Indian Subsidiary shall mean a material subsidiary incorporated in India and not listed on any Indian Stock Exchanges.
- d. Significant Transaction or Arrangements 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.
- e. Subsidiary shall be as defined in the Companies Act, 2013 and Rules made thereunder.
- f. Unlisted Subsidiary shall mean subsidiary whose securities are not listed on any recognized Stock Exchanges.

3. Identification of Material Subsidiary/ Subsidiaries

A subsidiary shall be considered material if its income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

4. Governance Framework

- i. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- ii. The minutes of the Board Meeting of the unlisted Subsidiary shall be placed before the meeting of Board of Directors of the Company
- iii. 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 Arrangement entered into by the unlisted subsidiary

For the purpose of this Regulation, the term 'significant transaction or arrangement' shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of unlisted subsidiary for the immediately preceding accounting year.

- iv. One Independent Director of the Company shall be a director on the Board of the Material Unlisted Subsidiary, whether incorporated in India or not.

For the purpose of this provision, notwithstanding anything to the contrary contained in Clause 3 of the Policy, the term material subsidiary shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

5. Disposal of Material Subsidiary

The Company shall not:

- a. Dispose-off shares in its material subsidiary which would reduce 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 Court/ Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event be disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- b. Sell, dispose-off and lease assets amounting to more than twenty percent of the asset of the material subsidiary on an aggregate basis during a financial year without 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 be disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

6. Policy Review

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

7. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Listing Agreement/Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement/Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy

8. Dissemination of Policy

This policy shall be hosted on the website of the Company and a web link thereto shall be provided in the annual report of the Company, if required.