



**CARYSIL LIMITED**

**POLICY FOR**

**DETERMINATION OF MATERIAL SUBSIDIARY**

(Adopted on January 21, 2016 and last amended on May 19, 2025)

## **Objective**

This Policy shall be called “Policy for Determining Material Subsidiaries”, which is framed in accordance with the provisions of Explanation to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) to determine Material Subsidiary (ies) of the Company.

## **INTERPRETATION**

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 (“Act”) and SEBI Listing Regulations, as may be amended from time to time, shall have the meaning assigned to them therein.

## **Date of applicability of policy**

The revised policy has been approved by the Board of Directors at its Meeting held on November 07, 2024 and recently revised on May 19, 2025, which shall be effective from May 19, 2025 and the same shall also be hosted on the Company’s website.

## **Material Subsidiary**

A subsidiary shall be considered as 'material subsidiary' whose turnover or net-worth exceeds ten percent (10%) of the consolidated income or net-worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

## **Appointment of Independent Directors**

At least 1 (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(ies), whether incorporated in India or not. For the purposes of this Para, the term ‘Material Subsidiary’ shall mean a subsidiary whose turnover or net worth exceeds 20% (twenty percent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

## **Disposal of shares or assets of material subsidiary**

- a. The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% (fifty per cent) 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 1 (one) day of the resolution plan being approved.

- b. Selling, disposing and leasing of assets (other than licensing of film rights) amounting to more than 20% (twenty percent) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company 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 1 (one) day of the resolution plan being approved.
- c. If such sale, disposal or lease of assets is between two wholly owned subsidiaries of the Company, prior approval of the shareholders of the Company by way of special resolution is not required.

#### **Secretarial Audit**

Every material subsidiary incorporate in India shall undertake secretarial audit as referred under Section 204 of the Act by the Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the secretarial audit report shall be annexed with the annual report of the Company.

Explanation:

- (i) “Secretarial Auditor” means a Company Secretary in Practice or a firm of Company Secretary(ies) in practice appointed to conduct the Secretarial Audit.
- (ii) “Peer Reviewed Company Secretary” means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India

#### **Amendments / Modifications**

In case of any subsequent changes in the provisions of the Companies Act, 2013 (the Act) or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the Act or the Listing Regulations or such applicable law, the provisions of the Act or the Listing Regulations or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such changes.

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