

## AMTECH ESTERS LIMITED

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARY (Pursuant to Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**Approved by Board of Directors at its meeting held on 12<sup>th</sup> January, 2024**

#### **1) INTRODUCTION**

SEBI has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) on September 2, 2015. As per Regulation 16 of Listing Regulations, every listed entity is required to frame a policy for determining “material” subsidiary.

In compliance with the aforementioned statutory requirements, the Company has formulated this policy for determining “material” subsidiary of the Company.

#### **IDENTIFICATION OF ‘MATERIAL’ SUBSIDIARY**

**A subsidiary shall be considered as 'material'**

Whose **income or net worth** exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

#### **2) GOVERNANCE FRAMEWORK WITH RESPECT TO SUBSIDIARY OF LISTED ENTITY**

- i) At least one Independent Director on the Board of Directors of the Company shall be a Director on the board of Directors of the unlisted material subsidiary, incorporated in India or not.

For the purposes of this requirement, “material subsidiary” shall mean a subsidiary, whose 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.”

“Unlisted Material Subsidiary” means a Material Subsidiary which is incorporated in India or outside India, **but it is not listed on any of the recognized Stock Exchanges.**

- ii) The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- iii) 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.
- iv) 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.

**For the purposes of this requirement, 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 the unlisted subsidiary for the immediately preceding accounting year.**

- v) 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 fifty percent 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 approve.

Selling, disposing and leasing of assets amounting to more than 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 one day of the resolution plan being approved.

- vi) Where the Company has a listed subsidiary, which is itself a holding company, the provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
- vii) The Company shall disclose all events or information with respect to its Subsidiaries which are material for the Company as per Regulation 30(9) of the SEBI Listing Regulations.

### **3) SECRETARIAL AUDIT**

Unlisted material subsidiaries incorporated in India, if any, shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the Company.

### **4) POLICY REVIEW**

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

### **5) DISPLAY/DISCLOSURE**

This policy of the Company shall be displayed on the Company’s website and a web link thereto shall be provided in the Annual Report of the Company.