



## Policy on Subsidiary & Material Subsidiary Company

### **PRICOL LIMITED**

#### **POLICY ON SUBSIDIARY & MATERIAL SUBSIDIARY COMPANY**

(Adopted by the Board on 31<sup>st</sup> October 2016 and amended on 29<sup>th</sup> June 2020)

[Pursuant to Regulation 16(1)(C) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

#### **POLICY OBJECTIVE**

This policy is intended to ensure that the Board has overall supervision on the functioning of the subsidiaries & material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

#### **1. DEFINITIONS**

“**Audit Committee**” means “Audit Committee” constituted by the Board of Directors of Pricol Limited, from time to time, under the Listing Regulations and the Companies Act, 2013.

“**Board of Director**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and SEBI Listing Regulations.

“**Material Subsidiary**” means a subsidiary as defined under SEBI Listing Regulations.

“**Unlisted Subsidiary**” means a subsidiary whose equity shares are not listed on any recognized stock exchange.

“**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 subsidiary for the immediately preceding accounting year.

“**Subsidiary(ies)**” means subsidiary company(s) of a Company as defined in the Companies Act, 2013.

#### **2. POLICY & PROCEDURE**

- a. At least **one independent director** on the Board of the company shall be a director on the Board of an **unlisted material subsidiary whether incorporated in India or not**.
- b. The Audit Committee shall review the financial statements of the subsidiaries, in particular, the investments made by the **unlisted subsidiary of the company**.
- c. The minutes of the board meetings of the **unlisted subsidiary company** shall be placed at the board meeting of the company at regular intervals.
- d. The Board shall be provided with all significant transactions and arrangements entered into by the unlisted Subsidiary Company on a quarterly basis.



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- e. 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% 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.
- f. 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 the shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/ Tribunal.

### **3. AMENDMENT TO THE POLICY**

The Board on its own and/or as per the recommendations of the Audit Committee can amend this policy, as and when deemed fit.

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 hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

### **4. DISCLOSURES**

The said Policy shall be disclosed on the Company's website "www.pricol.com" and a web link thereto shall be provided in the Annual Report.

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