

ASHNOOR TEXTILE MILLS LIMITED
MATERIAL SUBSIDIARY POLICY

Introduction

in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated this policy for determining material subsidiary of the Company.

1. Material Subsidiary

A Subsidiary shall be considered as 'Material Subsidiary' 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.

2. Director

At least 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, whether incorporated in India or not.

3. Financial Statements

The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

4. Minutes of the meetings of the Board of Directors

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.

5. Statement of Significant Transactions

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.

6. Disposal of Material Subsidiary

The Company shall not:

- a. dispose of its shareholding to less than 50% or cease the exercise of control over the material subsidiary without passing of 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.
- b. sell, dispose and lease 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.

7. Listed Subsidiary

If the Company will has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

8. Secretarial Audit Report

The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified

9. Policy Review

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