

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

Registered Office: 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)
Website : www.adityabirlachemicalsindia.com CIN : L24100JH1976PLC001255

POLICY FOR DETERMINING MATERIAL SUBSIDIARY COMPANIES

1. A subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds twenty per cent of the consolidated net worth as per the audited consolidated balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year;
2. The Company shall not dispose of shares in the material subsidiary which would reduce Company's shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control of the subsidiary without passing a special resolution in its General Meeting except in case where such divestment is made under a scheme of arrangement duly approved by the Court/ Tribunal;
3. 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 by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal;
4. At-least one Independent Director of the Company shall be a director on the Board of each material non-listed Indian subsidiary;

The term "material non-listed Indian subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

5. This Policy shall be subject to the provisions of the Companies Act, 2013 read with the Rules made thereunder, as may be in force for the time being, as well as Clause 49 of the Listing Agreement or such other rules/regulations, as may be notified by Securities and Exchange Board of India from time to time.
6. The Policy shall be uploaded on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.