

**CHEMCRUX ENTERPRISES LIMITED**  
***Policy for Determining Material Subsidiaries***

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**Registered Office: 330, TRIVIA Complex, Natubhai Circle, Racecourse,**

**Vadodara- 390 007**

**Website: [www.chemcrux.com](http://www.chemcrux.com)**

<b>Approved by</b>	Board of Directors
<b>Date of approval</b>	22 <sup>nd</sup> February 2025
<b>Version</b>	1

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**PURPOSE AND SCOPE**

The Policy for determining 'material' subsidiary companies has been framed in accordance with the regulation 16(1)(c) SEBI (LODR) Regulations, 2015. The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries. Any words used in the Policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made there under, SEBI Act or Rules and regulations made there under, SEBI LODR or any other relevant legislation/ law applicable to the Company.

The Board of Directors of the Company has adopted the following policy with regard to the determination of its Material Subsidiaries. The Company is required to disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.

**DEFINITIONS:**

**"Act"** means Companies Act, 2013 including any statutory modification or reenactment thereof.

**"Board of Directors" or "Board"** means the Board of Directors of the Company, as constituted from time to time.

**"Company"** means Chemcrux Enterprises Limited.

**"Holding Company"** means Holding Company as defined under Section 2(46) of the Act.

**"Subsidiary Company / Subsidiary"** means Subsidiary Company / Subsidiary as defined under Section 2(87) of the Act and the Rules made there under.

**"Independent Director"** means an Independent Director as defined in Section 2(47) of the Act read with SEBI LODR and as may be amended from time to time.

**"Policy"** means this Policy on Material Subsidiaries and as may be amended from time to time.

**IDENTIFICATION OF 'MATERIAL' SUBSIDIARY**

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

**COMPLIANCES:**

- i. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

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- ii. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- iii. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company. For the purpose of this requirement, the term “significant transaction or arrangement” shall mean 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 unlisted subsidiary for the immediately preceding accounting year.
- iv. 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 outside. For the purpose of this requirement, notwithstanding anything to the contrary contained in this Policy, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% (twenty per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- v. The unlisted Material 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.

**DISPOSAL OF SHARES / ASSETS OF MATERIAL SUBSIDIARY**

- i. The Company shall not dispose of shares in its Material Subsidiary which would reduce the Company’s shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (fifty per cent) or cease the exercise of control over the Material Subsidiary without passing a special resolution in the 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 approved.
- ii. The Company shall not sell, dispose and lease assets amounting to more than 20% (twenty per cent) of the assets of the Material Subsidiary on an aggregate basis during a financial year unless it obtains the prior approval of shareholders by way of special resolution, except where 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: Nothing contained in this sub-clause (ii) shall be applicable, if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company

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**POLICY REVIEW**

The Board shall have the power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace this policy entirely with a new Policy.

