

Policy for Determining “Material” Subsidiaries

1. Introduction

This Policy for determining “Material” Subsidiaries (“Policy”) is framed in accordance with Regulation 16(1)(c) and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and is intended to ensure governance of material subsidiaries of Atmastco Ltd (“Company”).

2. Objective

The objective of this Policy is to determine the material subsidiaries and lay down the governance framework for such subsidiaries, in line with the requirements of SEBI LODR.

3. Definitions

“Subsidiary” shall mean a subsidiary as defined under the Companies Act, 2013.

“Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“Material Unlisted Subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e., paid-up capital and free reserves) exceeds 10% of the consolidated income or net worth of the listed entity and its subsidiaries in the immediately preceding accounting year.

4. Governance Requirements

- a) At least one Independent Director on the Board of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, incorporated in India.
- b) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- c) The minutes of the Board meetings of the unlisted subsidiary shall be placed before the Board of Directors of the Company.
- d) The management of the unlisted subsidiary 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 subsidiary company.

5. Disposal of Shares in Material Subsidiary

The Company shall not:

- Dispose of shares in a material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- Cease to exercise control over the subsidiary; or
- Sell, dispose of, or lease the assets amounting to more than 20% of the assets of the material subsidiary;

unless prior approval of the shareholders is obtained by way of special resolution, except in cases where such divestment/sale/lease is made under a scheme of arrangement duly approved by a court or tribunal.

6. Review and Amendment

The Board of Directors shall review the Policy periodically and amend it suitably in accordance with regulatory requirements. Any changes or amendments in the SEBI LODR Regulations shall be binding even if not incorporated in this Policy immediately.