

## SINTEX INDUSTRIES LIMITED

CIN: L17110GJ1931PLC000454

(A Public Limited Company incorporated under the Companies Act)

**Registered Office:** Kalol (N.G.) – 382 721 Dist. Gandhinagar

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### POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

#### 1. Title:

This Policy shall be called “Policy for determining Material Subsidiaries” (“Policy”).

#### 2. Preamble and Objective

2.1 The Board of Directors of Sintex Industries Limited (the “Company”) adopted the policy for laying down a criterion for determining "*Material Subsidiaries*" and their governance in pursuance of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions (including any statutory enactments / amendments thereof) w.e.f. 13<sup>th</sup> October, 2014.

2.2 Pursuant to the amendments in The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Amendment)Regulations, 2018 effective from 1<sup>st</sup> April,2019, the Company is required to make amendments/substitutions to the provisions of the Policy for laying down a criterion for determining Material Subsidiaries.

2.3 Accordingly, the Board of Directors of the Company has adopted this revised “Policy for determining Material Subsidiaries” (“**Policy**”) in its meeting held on 24<sup>th</sup> January, 2019 which will be effective w.e.f. 01<sup>st</sup> April, 2019.

This Policy is intended to augment and work in conjunction with regulatory provisions and other company policies.

#### 3. Definitions:

**Policy** means this Policy on Material Subsidiaries.

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

**“Company”** means a company incorporated under the Companies Act, 2013 or under any previous company law.

**“Listed Entity”** means an entity which has listed, on a recognised stock exchange(s), the designated securities issued by it or designated securities issued under schemes

managed by it, in accordance with the listing agreement entered into between the entity and the recognised stock exchange(s).

**“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.

**“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.

**“Stock Exchange”** means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulations) Act, 1956.

**“Subsidiary”** as defined under section 2(87) of the Companies Act, 2013 and the Rules made thereunder.

All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

The words and expressions used in this Policy unless defined hereunder shall have the meaning assigned to them respectively in the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Act, 1992, Securities Contracts (Regulation) Act, 1956 or the SEBI (Issue of capital and disclosure requirements) regulations or any statutory modification or re-enactment thereof, as the case may be.

#### **4. Criteria for determining the Material Subsidiaries:**

Subsidiary shall be regard as a Material Subsidiary for the financial year if it falls under the definition provided in this policy.

The Audit Committee shall review on annual basis such details/ information as may be required to determine the 'Material Subsidiaries'.

#### **5. Governance of Material subsidiaries:**

- 5.1 On the recommendation of Nomination and Remuneration Committee, at least one Independent Director on the Board of Directors of the Company shall be appointed as a Director on the Board of Directors of an Unlisted Material Subsidiary, whether incorporated in India or not.

Explanation: For the purpose of this provision, notwithstanding anything to the contrary contained in this policy, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- 5.2 The Audit Committee of the Company shall review the financial statements of each unlisted Subsidiary, in particular, the investments made by such unlisted subsidiary on a regular basis.
- 5.3 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.
- 5.4 A statement of all significant transactions and arrangements entered into by the unlisted subsidiary shall be periodically placed before the Board of Directors of the Company.

## **6. Disposal of shares or assets of material subsidiary company**

- 6.1 Disposal of shares of material subsidiary, by the Company 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 shall require passing of a special resolution in its General Meeting. The approval of shareholders by special resolution shall not be required 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 recognised stock exchanges within one day of the resolution plan being approved.
- 6.2 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 or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved.

## **7. Amendments**

The Board shall have the power to amend/substitute any of the provisions of this Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs or SEBI w.r.t. Material Subsidiaries from time to time. Such amended policy shall be periodically placed before the Board for noting and ratification.

## **8. Disclosures by the Company**

This Policy shall be disclosed on the Company's website and such web link shall also be provided in the Annual Report.

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