

Indokem Limited

(CIN: L31300MH1964PLC013088)

Registered Office:

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9th November, 2023

To,
BSE Limited,
Corporate Relations Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 504092

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015

Respected Sir/ Madam,

We wish to inform you that Board of Directors of the Company in their meeting held on 9th November, 2023 have considered and approved the adoption of Policy for Determining Material Subsidiaries. Copy of the aforesaid policy is enclosed.

The same shall also be made available on the website of the Company at www.indokem.co.in.

This is for your information and records.

Thanking you,

For INDOKEM LIMITED

Rajesh D. Pisal
Company Secretary and Compliance Officer

Encl: a/a

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Purpose of Policy:

Indokem Limited (“**Indokem**” or “**Company**”) is governed amongst others by the rules and regulations framed by Securities Exchange Board of India (“**SEBI**”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**Listing Regulations**”) lays out regulatory requirements for material subsidiary companies.

The Board of Directors (the “**Board**”) of the Company at their meeting held on 9th November 2023 has adopted the policy and procedures for determining ‘material’ subsidiary companies (“**Policy**”) in accordance with the provisions of Regulation 16 1 (c) of the Listing Regulations.

This Policy will be used to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Act**”) and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

2. Definitions:

“**Act**” means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

“**Audit Committee**” means Committee constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof.

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

“**Company**” means Indokem Limited.

“**Control**” shall have the same meaning as assigned to the term in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Independent Director**” shall have the meaning as ascribed to the term under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

“Insolvency Code” means Insolvency Code as defined under Regulation 2(1)(na) of SEBI (LODR) Regulations, 2015, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

“Material Subsidiary” shall mean a subsidiary, whose 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.

“Net Worth” means net worth as defined in Section 2(57) of the Companies Act, 2013 read with Regulation 2(1)(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

“Policy” means this Policy for determining Material Subsidiaries.

“Significant Transaction or Arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the

- i) total revenues; or
- ii) total expenses; or
- iii) total assets; or
- iv) total liabilities;

as the case may be, of the Unlisted Subsidiary for the immediately preceding accounting year.

“Stock Exchange” means BSE Limited.

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

“Unlisted Material Subsidiary” means a Material Subsidiary whose equity shares are not listed on any recognized stock exchange in India.

3. Determination of Material Subsidiary:

A Subsidiary of the Company shall be considered as a ‘Material Subsidiary’, if the income or net worth of the Subsidiary exceeds 10 % of consolidated income or net worth respectively of the Company and its subsidiaries as per the audited financial statements of the immediately preceding financial year.

The Company shall, on formation of a Subsidiary, at the end of every year, determine whether the Subsidiary falls under the criteria for Material Subsidiary as defined above. In case the Subsidiary falls under such criteria, the same is to be reported to the Board for its noting at the first instance.

4. Governance Framework:

1. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Material Subsidiary company.
2. The minutes of the Board meetings of the Unlisted Material Subsidiary companies shall be placed at the Board Meeting of the Company.
3. At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of unlisted Material Subsidiary, whether incorporated in India or not.

For the purpose of the above mentioned point 3., the term “material subsidiary” means a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

4. The management of the Unlisted Material Subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all Significant Transaction(s) and Arrangement entered into by the Unlisted Subsidiary/ies.
5. Every Material Unlisted Subsidiary incorporated in India shall undertake secretarial audit and secretarial audit report shall be annexed to the annual report of the Company.

5. Disposal of Material Subsidiary:

The Company shall not:

- i. dispose of shares in its Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the subsidiary without passing a 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 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. 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 without obtaining 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 recognized stock exchanges within one day of the resolution plan being approved.

6. Disclosures:

This Policy shall be disclosed on the website of the Company www.indokem.co.in and a web link thereto shall be provided in the Annual Report of the Company.

7. Amendments:

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, as it may deem necessary.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure the objective of good corporate governance.

8. Scope and Limitations:

In the event of any conflict between the provisions of this Policy and of the Act or Regulations or any other statutory enactments, rules, the provisions of such Act or Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.
