

DETERMINATION OF MATERIAL SUBSIDIARY POLICY

A. Purpose and Scope

The Policy for determining 'Material' Subsidiary Companies has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The 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 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

B. Identification of 'Material' Subsidiary

A Subsidiary shall be considered Material if, its Income or Networth exceeds Twenty Percent of the Consolidated Income / Networth respectively, of the Company and its Subsidiaries in the immediately preceding Financial Year.

C. Governance Framework

- i. The Audit Committee of the Company shall periodically review the Financial Statements of the Unlisted Subsidiary Company.
- ii. The Minutes of the Board Meetings of the Unlisted Subsidiary Company shall be placed before the Board of Directors of the Company.
- iii. 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 Unlisted Subsidiary Company.
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 Unlisted Subsidiary Company.
- iv. At least one Independent Director of the Company shall be a Director on the Board of the Unlisted Material Subsidiary Company, whether incorporated in India or not.
- v. The Company shall obtain prior approval of Shareholders by way of Special Resolution, if the disposal of shares in its Material Subsidiary (either on its own or together with other Subsidiaries) results in reduction of its Shareholding, to less than fifty percent or the Company ceases the exercise of Control over such Subsidiary.
Such approval shall not be required if the disinvestment is:



SPECTROGEN PHARMACHEM LIMITED

(Formerly, Spectrogen Pharmachem Private Limited)

CIN: U24299TG2020PLC147109

E-mail: info@spectrogen.co.in

Tel: 040 – 3503 5220

Website: www.spectrogen.co.in

GST: 36ABFCS1492M1ZV

-
- 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.
 - vi. The Company shall obtain prior approval of Shareholders by way of Special Resolution, if any Sale, Disposal and Leasing of Assets amounting to more than twenty percent of Assets of the Material Subsidiary on an aggregate basis during a Financial Year.
 - vii. Every Material Unlisted Subsidiary incorporated in India shall undertake Secretarial Audit and the Secretarial Audit Report shall be annexed with the Annual Report of the Company.

D. Policy Review

This Policy shall be subject to review by the Board, as may be deemed necessary, and in accordance with any regulatory amendments.