

ASSAM ROOFING LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES [Pursuant to Clause 16 (c) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

1. INTRODUCTION:

The Board of Directors of Assam Roofing Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiary (ies). As on date of formulating this Policy, the Company has one Material Subsidiaries and there is immediate applicability. The Board may review and amend this Policy from time to time.

2. TITLE & APPLICABILITY:

This Policy shall be called “Policy for determining Material Subsidiaries”. This Policy will be applicable to the Company with effect from 1st December, 2015 in terms of Clause 16 (c) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

3. OBJECTIVE:

The objective of this Policy is to determine Material Subsidiary(ies) of the Company and to provide a governance framework for such Material Subsidiary(ies). The Policy is framed in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

4. IDENTIFICATION OF MATERIAL SUBSIDIARY COMPANY:

A subsidiary shall be considered as material if:

- a) the networth of the subsidiary, exceeds 20 per cent of the consolidated net worth of ARL and its subsidiaries in the immediately preceding accounting year or,
- b) if the income of the subsidiary exceeds 20 per cent of the consolidated income of ARL and its subsidiaries in the immediately preceding accounting year.

5. GOVERNANCE FRAMEWORK WITH RESPECT TO MATERIAL SUBSIDIARY:

- a) 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, incorporated in India.
- b) The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- c) The minutes of the Board meetings of the unlisted subsidiary company shall be placed before the Board of the Company.
- d) 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.

Explanation: (1) “Material Non Listed Indian Subsidiary” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchange whose Income or Net Worth (i.e. Paid-Up Capital and Free Reserves) exceeds 20 per cent of the Consolidated Income or Net Worth respectively, of the Listed Holding Company and its Subsidiaries in the immediately preceding accounting year.

Explanation: (2) 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 material subsidiary for the immediately preceding accounting year.

6. COMPLIANCES WITH RESPECT TO MATERIAL SUBSIDIARY COMPANY:

a) The Company shall not dispose of shares in its material subsidiary 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 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.

b) 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 of the holding company (i.e. Assam Roofing Limited) by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal.

7. DISCLOSURE:

The Company shall disclose the Policy on the Company’s website and a web link thereto shall be provided in the Annual Report.

8. REVIEW & AMENDMENT:

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.