

**NGL Fine-Chem Limited**

Regd. Office : 301, E Square, Subhash Road, Vile Parle (East), Mumbai-400 057, Maharashtra, India.

Title of Document : Policy for determining Material Subsidiary

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Effective Date	07/02/2025	Next revision Date	Feb 2028
Activity	Prepared By	Reviewed By	Approved By
Signature & Date			
Designation	Company Secretary	Company Secretary	Managing Director

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1. PURPOSE & SCOPE:

The policy for determining ‘material’ subsidiary companies has been framed in accordance with the provisions of Regulation 16 (1) (c) of 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 explanations therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

2. IDENTIFICATION OF ‘MATERIAL’ SUBSIDIARY:

A Subsidiary shall be considered material if, its turnover or net worth exceeds, 10 percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3. GOVERNANCE FRAMEWORK:

- i. The audit committee of the Company shall periodically review the financial statements, in particular, the investments made by 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.
- 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 50 percent or the Company ceases the exercise of control over such subsidiary;

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Such approval shall not be required if the disinvestment is:

- 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. 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.

4. POLICY REVIEW:

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

5. REVISION HISTORY:

Sr. No.	Reason for Change	Revision No.	Effective Date
1.	New document	00	07/02/2025