



## STYLAM INDUSTRIES LIMITED POLICY ON MATERIAL SUBSIDIARIES

### 1. Purpose

The purpose of this Policy is determination of Material Subsidiaries of Stylam Industries Limited (“the Company”) and disclosure thereof, as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as SEBI (LODR) Regulations], as amended from time to time.

### 2. Definitions

“**Control**” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

“**Independent Director**” means a director of the Company, not being a whole-time director or managing director or nominee director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and SEBI (LODR) Regulations.

“**Material Subsidiary**” a subsidiary shall be a material subsidiary if any of the following conditions are satisfied:

- a. If the net worth (i.e., paid-up capital and free reserves) of the subsidiary exceeds 10% of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year; or
- b. If the income of the subsidiary exceeds 10% of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year.

“**Material Non-Listed Subsidiary**” an unlisted subsidiary, incorporated in India or outside India, whose income or net worth (i.e., paid up share capital and free reserves) exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

“**Significant Transaction or Arrangement**” is any transaction or arrangement that exceeds or is likely to exceed ten percent (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.

“**Subsidiary**” shall mean as defined under the Companies Act, 2013 and the Rules made there under.



### **3. Review of the financial statements by the audit committee of directors**

The Audit Committee of Directors of the listed holding company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

### **4. Significant transactions/ arrangements of non-listed subsidiary**

The management should periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by any Non listed Subsidiary Company.

### **5. Disclosures**

As prescribed under, **SEBI (LODR)** Regulations, this Policy shall be disclosed in the Company's website and a web-link thereto shall be provided in the Annual Report.

### **6. Review of the policy**

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