



POLICY ON MATERIAL **SUBSIDIARIES**

Approved by:	Board of Directors
Effective date:	18th October 2014
1st revision on:	5th February 2018
2nd revision on:	1st February 2019
3rd revision on:	13th November 2024
4th revision on:	6th February 2025



1. Purpose:

The purpose of this policy is to determine Material Subsidiaries of the Company and to provide governance framework for all such subsidiaries of the Company.

2. Definitions:

- a. "Act" means the Companies Act, 2013 and the Rules framed thereunder including any modifications, amendments, clarifications, circulars or re-enactments thereof from time to time.
- b. "Audit Committee" means the Audit Committee of the Board of Directors constituted under the provisions of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and the Companies Act, 2013.
- c. "Company" means "Unichem Laboratories Limited".
- d. "Control" shall have the same meaning as provided in SEBI (Substantial Acquisition of Shares and Takeover Regulations, 2011, as amended from time to time.
- e. "Material Subsidiary": shall mean a subsidiary whose income or net worth exceeds 10% of the consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.
- f. "Policy" shall mean this policy or "Material Subsidiary Policy".
- g. "Regulations" shall mean the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.
- h. "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 subsidiary for the immediately preceding accounting year.
- i. "Subsidiary" shall mean as defined under the Act.

All other words and expressions used but not defined in this Policy, but defined in the Act, SEBI (Substantial Acquisition of Shares and Takeover Regulations, 2011, SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Act or rules and regulations or any statutory modification or re-enactment thereto, as the case may be.

3. Governance and Control:

- a. At least one Independent Director of the Company shall be a Director on the Board of Directors of the Unlisted Material Subsidiary whether incorporated in India or not.

Explanation: For the Purpose of this provision, notwithstanding anything to the contrary contained in Regulation 16 of the Regulations, Material Subsidiary shall



mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively of the listed entity and its subsidiaries in the immediately preceding accounting year.

- b. The Audit Committee of the Board of the Company shall also review:
 - i. the financial statements of unlisted subsidiary(ies), in particular, the investments made by the unlisted subsidiary and the same shall be placed before the Board of the Company periodically.
 - ii. Utilization of loans and/ or advances from/investment in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- c. The Management of the unlisted subsidiary shall annually bring to the attention of the Board of Directors of the Company, a statement of all the significant transactions and arrangements entered by the unlisted subsidiary.

4. Disposal of shares or assets of Material Subsidiary:

- (a) The Company shall not dispose shares of its Material Subsidiary that reduces the Company's shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%; or ceases to exercise of control over the subsidiary; without passing of a Special Resolution at its General Meeting.
- (b) sell, dispose or lease the 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 the shareholders by way of a special resolution.

Provided that the provisions of Para 4 (a) & (b) shall not be applicable if the divestment or sale or disposal or 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.

Provided further that the provisions of Para 4 (b) shall not be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

5. Interpretation:

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or rules and regulations made thereunder, or any other relevant legislation / law



applicable to the Company. In case of any conflict between the law and the policy, the law shall prevail.

6. Review & amendment:

The Board shall have the power to amend the policy or replace the policy entirely with a new policy.

In case of any subsequent amendment / modification in the Listing Regulations, Act and/or other applicable laws which may be inconsistent with any of the provision of this policy than such provision(s) of the policy to that extent will automatically stand modified/ amended.

7. Disclosures:

This policy shall also be uploaded on the website of the Company at www.unichemlabs.com and a web link thereto shall be provided in the Annual Report of the Company.

This policy has been amended, approved and adopted by the Board of Directors at their meeting held on 6th February 2025.
