



Registered & Corporate Office : Unichem Bhavan, Prabhat Estate, S. V. Road, Jogeshwari (West), Mumbai-400102, INDIA.

## **Policy on Material Subsidiaries**

### **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": A subsidiary shall be considered as Material Subsidiary, if any of the following conditions are satisfied as laid down in the Listing Regulations or any amendments thereto:
  - (i) If the networth of the Subsidiary Company exceeds 20% of the consolidated net worth of the Company in the immediately preceding accounting year; or
  - (ii) If the income of the subsidiary exceeds 20% of the consolidated income of the Company in the immediately preceding accounting year.



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CIN : L99999MH1962PLC012451.

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- f. "Policy" shall mean this policy or "Material Subsidiary Policy"
- g. "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.
- h. "Subsidiary" shall be 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 incorporated in India.
- b. The Audit Committee of the Board of the Company, shall also review 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.
- 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 into by the unlisted subsidiary..



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#### **4. Disposal 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 50%; or ceases the exercise of control over the subsidiary; without passing of a Special Resolution at its General Meeting, except in cases where such divestment is made under a scheme or arrangement duly approved by a Court/Tribunal ;
- (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 share holders by way of a special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/ Tribunal.

#### **5. Disclosures**

This policy shall also be uploaded on the website of the Company at [www.unichemlabs.com](http://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 February 5, 2018.

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