

POLICY FOR DETERMINING ‘MATERIAL’ SUBSIDIARIES

1. INTRODUCTION

The Board of Directors of Omkar Pharmachem Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

2. TITLE & APPLICABILITY

This Policy shall be called Policy For Determining Material Subsidiaries. This Policy shall be applicable to the Company with effect from the date of applicability of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. OBJECTIVE

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

4. DEFINITIONS

“Board of Directors” or “Board” means the Board of Directors of Omkar Pharmachem Limited, as constituted from time to time.

“Company” means Omkar Pharmachem Limited.

“Independent Director” means a director of the Company, not being a whole time 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 the SEBI’s LODR, 2015 entered into with the stock exchanges.

“Policy” means Policy on Material Subsidiary.

"Subsidiary" shall mean a subsidiary as defined under the Act and Rules made thereunder.

“Audit Committee” means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of SEBI’s LODR Regulations, 2015 and the Companies Act, 2013.

“Material Subsidiary” shall mean a Subsidiary whose income or net worth exceeds 20 per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding financial year.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder from time to time, the Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

5. POLICY

A subsidiary shall be considered as Material if any of the following conditions are satisfied:

- the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year

6. GOVERNANCE FRAMEWORK

- The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- The minutes of the Board Meetings of the Unlisted Subsidiary shall be placed before the Board of the Company.
- 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. The term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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. iv.
- At least one Independent Director of the Company shall be a director on the Board of the unlisted material subsidiary, incorporated in India. v. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

7. DISPOSAL OF MATERIAL SUBSIDIARY

The following disposals shall not be permitted:

- a. The Company reducing its shareholding (either on its own or together with other subsidiaries) to less than fifty per cent or ceasing exercise of control over the subsidiary or,
- 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

without passing a special resolution in the Company’s General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal under the Companies Act, 2013 or rules made thereunder.

8. POLICY REVIEW

This policy is framed pursuant to the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any subsequent changes in the provisions of the Companies Act, 2013, or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. This policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.