

ALEMBIC PHARMACEUTICALS LIMITED

POLICY ON MATERIAL SUBSIDIARIES

Details of Adoption / Amendments to the Policy				
Policy Adoption / Change effective Date	Clause No.	Particulars of the Adoption / Change	Board Approval Date	Version of Policy
01/10/2014	-	Adoption of Policy	20/10/2014	Original
22/01/2019	Various clauses	Pursuant to the amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from time to time	22/01/2019	V-2

1. Objective:

The objective of Policy on Material Subsidiaries (‘Policy’) is to determine the material subsidiaries and provide the governance framework for such subsidiaries. This policy is formulated in compliance with the requirements of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors (the “**Board**”) of the Company has adopted the Policy at their meeting. The details of the original adoption and subsequent amendments, if any are mentioned in the table provided at the beginning of this Policy.

2. Definitions:

“**Act**” means Companies Act, 2013 read with rules framed thereunder, as amended from time to time.

“**Audit Committee**” means the “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of the Act and the Listing Regulations. 2015.

“**Board of Director**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Company**” means Alembic Pharmaceuticals Limited.

“**Independent Director**” means a director of the Company, who satisfies the criteria for independence provided under the Act, and the Listing Regulations, 2015.

“**Listing Regulations, 2015**” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Policy**” means this Policy on Material Subsidiaries.

“**Material Subsidiary**” means a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“**Subsidiary**” means a subsidiary as defined under the Act.

“**Significant Transaction or Arrangement**” means 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.

The above definitions shall be read as provided in the amended provisions, if any, of the Act, Listing Regulations, 2015 or any other law or regulation and such change will not be considered as change in this Policy.

Any term(s) not defined hereinabove shall have the same meaning as assigned to such term(s) in the Act and / or the Listing Regulations, 2015 or any other applicable law or regulation.

3. Effective Date:

This Policy is effective from 1st October 2014.

4. Policy:

- a. At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of unlisted *material subsidiary*, whether incorporated in India or not.

For this purposes of this sub-clause, notwithstanding anything to the contrary contained in the definitions, *material subsidiary* shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- b. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- c. The minutes of the Board meetings of the unlisted subsidiary shall be placed at the Board meeting of the Company.
- d. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant Transaction or Arrangements entered into by the unlisted subsidiary.
- e. The management of the Company shall present to the Board, any change in the list of Material Subsidiaries.

- f. The Company shall not, without the approval / prior approval of the members by special resolution, as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
- dispose the shares held in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the Material Subsidiary, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal; or
 - sell, dispose or lease of the assets amounting to more than 20% of the assets of the Material Subsidiary, on an aggregate basis during a financial year, unless the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court / Tribunal.

5. Disclosures:

This Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

6. Amendment:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.
