



Fiberweb (India) Limited

Manufacturers of : Spunbond Nonwoven Fabrics

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

I. LEGAL FRAMEWORK:

Fiberweb (India) Limited ("Company") has formulated this policy for determining material subsidiary of the Company in accordance with Regulation 16 (1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), which required listed entity to formulate a policy for determining a "material" subsidiary and Regulation 46(2)(h) of the Listing Regulations which requires each listed entity to publish such policy on its website.

This policy for determining a material subsidiary ("Policy") of the Company has been prepared and adopted in accordance with the Listing Regulations.

II. OBJECTIVE OF THE POLICY:

The objective of this Policy is to determine:

- a. Meaning of Material Subsidiary;
- b. Requirement of Independent Director in certain Material Unlisted Indian Subsidiaries;
- c. Restriction on disposal of shares of Material Subsidiary by the Company;
- d. Restriction on transfer of assets of Material Subsidiary; and
- e. Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

III. DEFINITIONS:

- i. "Act" means Companies Act, 2013 & rules and any amendment(s) or modification(s) or circular(s) or notification(s) thereof made there under.
- ii. "Regulations" mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment(s) or modification(s) or circular(s) or notification(s) thereof made there under.

Product is manufactured in the plant, where the Management system is certified for ISO 9001:2015, 14001:2015, OHSAS 18001:2007

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ISO 9001:2015, 14001:2015, OHSAS 18001:2007

CIN NO. L25209DD1985PLC004694

- iii. **“Board” or “Board of Directors”** shall mean the board of directors of the Company.
- iv. **“Holding Company”** Pursuant to Section 2(46) of the Act, Holding Company, in relation to one or more other companies, means a company of which such companies are Subsidiaries Companies.

Explanation: For the purposes of this clause, the expression "company" includes any other body corporate.

- v. **“Subsidiary Company or Subsidiary”** Pursuant to Section 2(87) of the Act: Subsidiary or Subsidiaries in relation to any other company (that is to say the Holding Company), means a company in which the holding company-
 - i. Controls the composition of the Board of Directors
 - ii. Exercise or controls more than one half of the total voting power either at its own or together with one or more of its Subsidiary Companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of Subsidiaries beyond such numbers as may be prescribed.

Explanation: For the purpose of this definition:

- a. A company shall be deemed to be a Subsidiary Company of the Holding Company even if the control referred to in clause (i) or (ii) above is of another Subsidiary Company of the Holding Company;
 - b. The composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
 - c. The expression “company” includes body corporate;
 - d. "layer" in relation to a Holding Company means its Subsidiary or Subsidiaries.
- vi. **“Material Subsidiary”** means a subsidiary, whose income or net worth exceeds *ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

*Substituted *ibid* for the word “twenty”, w.e.f. 1.4.2019.

- vii. **“Material Unlisted Subsidiary”** means an unlisted Material Subsidiary.
- viii. **“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.
- ix. **“Significant Transaction and 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 Material Unlisted Subsidiary for the immediately preceding accounting year.
- x. **“Unlisted Subsidiary”** means an unlisted Subsidiary of the Company.
- xi. **“Audit Committee”** means the committee formed under Section 177 of the Companies Act, 2013 and/or under Regulation 18 of the Regulations.
- xii. **“Independent Director”** shall have the meaning given to it in the Companies Act, 2013.

IV. APPLICABILITY:

The Policy is applicable on Fiberweb (India) Limited and its Material Subsidiary(ies).

V. PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY:

1. Restriction on disposal of shares of material subsidiary by the Company:

The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in a general meeting of its shareholders except in cases where such divestment is made under a scheme of arrangement duly approved by a court/tribunal.

2. Restriction on disposal of assets of material subsidiary:

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a

financial year shall require prior approval of shareholders of the Company by way of special resolution unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a court/tribunal.

VI. OTHER PROVISION RELATED TO UNLISTED SUBSIDIARY/ MATERIAL UNLISTED SUBSIDIARY:

- a. The Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary.
- b. The minutes of the Board meetings of the Unlisted Subsidiary shall be placed at the Board meeting of the Company.
- c. At least one Independent Director of the Company shall be a director of the board of a Material Unlisted Subsidiary, incorporated in India or not.
- d. The management of the Company shall annually present to the Audit Committee of the Company the list of Material Subsidiaries. The Audit Committee

VII. AMENDMENTS:

The Board of the Company (including the Audit Committee of the Board) may amend the policy from time to time depending upon the requirements of the provisions of the Companies Act, 2013 or Listing Regulations or any other relevant provision, if any.

VIII. DISCLAIMER:

By reason of any change in the Act and/or Regulations which leads to any inconsistency or ambiguity or incongruity between the policy and the Act/Regulations, the amended Act/Regulations as issued by respective authorities shall prevail in this regard.

For FIBERWEB (INDIA) LIMITED

Pramit Sheel
Director
