



**POLICY FOR DETERMINING MATERIAL
SUBSIDIARIES OF
ORIENTAL VENEER PRODUCTS LIMITED**



ORIENTAL VENEER PRODUCTS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Preamble

Explanation to regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) requires every listed company to formulate a policy for determining a “material” subsidiary and Regulation 46(2)(h) of the Listing Regulations requires each listed company to publish such policy under a separate section on its website.

This policy for determining a material subsidiary (“**Policy**”) of Oriental Veneer Products Limited (the “**Company**”) has been adopted, in accordance with the Listing Regulations.

The Board of Directors of the Company may amend this policy from time to time provided such amendments are in line with the Listing Regulations.

2. Objective of the Policy

The objective of this Policy is to determine:

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

3. Definitions

3.1 “Accounting Year” means the financial year of the Company as prevailing from time to time. The financial year of the Company presently commences from 1st April every year and concludes on 31st March of the immediately succeeding year.

3.2 “Act” means the Companies Act, 2013 as prevailing from time to time.

3.3 “Audit Committee” means the Audit Committee of the Company.

3.4 “Board of Directors” or “**Board**” means the Board of Directors of the Company.

3.5 “Company” means Oriental Veneer Products Limited.



- 3.6 “Independent Director”** means a director of the Company, not being a whole time director and who satisfies other criteria for independence under the Act and the Regulations.
- 3.7 “Policy”** means this Policy for Determining Material Subsidiaries.
- 3.8 “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.
- 3.9 “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.
- 3.10 “Subsidiary”** shall be as defined under section 2(87) of the Companies Act, 2013 and the Rules made thereunder.
- 3.11 “Unlisted Subsidiary Company”** shall mean any subsidiary of the Company which is not listed on the Stock Exchanges in India PROVIDED THAT where this term is defined (whether by way of definition, clarification or explanation) under the Regulations, it shall have the meaning as per such definition.

4. Policy

- 4.1** In determining whether or not a subsidiary of the Company is or has become a material subsidiary, the Company shall be guided by and follow this Policy and the applicable provisions of the Regulations. Where there is a conflict between this Policy and the Regulations, the provisions of the Regulations shall prevail in making such determination.
- 4.2** Notwithstanding anything to the contrary that may be contained in this Policy, the provisions of this Policy shall be subject to the applicable provisions of the Regulations, as amended from time to time.
- 4.3** The Audit Committee shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company.
- 4.4** The minutes of the Board Meetings of the Unlisted Subsidiary Company shall be placed at the Board Meeting of the Company on a quarterly basis.



4.5 The management shall on a quarterly basis, 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 Company.

4.6 At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted Material Subsidiary, incorporated in India.

5. Disposal of Shareholding in or Control over or Assets of a Material Subsidiary

The Company shall seek prior approval of the shareholders by Special Resolution for the following:

- a) Disposing of shares of the Company's Material Subsidiary, which would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than 50% or which would cease the exercise of control over the subsidiary;
- b) Selling, disposing and leasing of assets amounting to more than twenty per cent of the assets of the Material Subsidiary on an aggregate basis during a financial year;

PROVIDED HOWEVER THAT the requirement of seeking such approval of shareholders shall not apply where any of the actions under (a) or (b) above are taken or made under a Scheme of Arrangement duly approved by a Court/Tribunal.

6. Annual Review to Determine Materiality of Subsidiaries

For the purpose of complying with the requirements of this Policy, the Audit Committee shall review on an annual basis the criteria of materiality as per this Policy, applicable to the Company's subsidiaries.

7. Disclosures

The Company shall comply with such disclosure requirements relating to this Policy as may be stipulated under the Regulations, as per which, this Policy shall be uploaded on the website of the Company at www.ovpl.co.in and a web link thereto shall be provided in the Company's Annual Report.
