

WONDER FIBROMATS LIMITED

(FORMERLY KNOWN AS "WONDER FIBROMATS PRIVATE LIMITED")

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION

Wonder Fibromats Limited ("Wonder" or "Company") is governed amongst others by the rules and regulations framed by Securities Exchange Board of India ("SEBI"). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") lays out regulatory requirements for material subsidiary companies.

The Board of Directors (the "Board") of the Company has adopted the policy and procedures for determining 'material' subsidiary companies ("Policy") in accordance with the provisions of Regulation 16 (1)(c) of the Listing Regulations.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("Act") and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

OBJECTIVE

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

DEFINITIONS

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, in accordance with section 177 of the Act and Regulation 18 of the Listing Regulations.

"Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.

"Company" means Wonder Fibromats 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 (LODR) Regulations, 2015.

"Policy" means this Policy, as amended from time to time.

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

“Unlisted Subsidiary” means subsidiary whose securities are not listed on any recognized Stock Exchanges.

“Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds (10%) ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“Material Unlisted Indian Subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e., paid up capital and free reserves) exceeds (20%) twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Significant Transaction or Arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed (10%) ten percent 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.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

POLICY & PROCEDURES:

The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.

The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on a yearly basis.

A list of such Material subsidiaries and Material Unlisted Indian Subsidiaries shall be presented to the Audit Committee annually for its noting.

The Company, without the prior approval of the members by Special Resolution, shall not:

- dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- ceases the exercise of control over the Subsidiary; or
- 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,

unless in cases where the divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

At least one Independent Director on the Board of the Company shall be a Director on the Board of the material unlisted Indian subsidiary 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 company in the format similar to the format prescribed in the relevant accounting standards for the purpose of disclosure of related party transactions on a consolidated basis.

AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement/Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement/Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

DISSEMINATION OF POLICY

This policy shall be hosted on the intra-net and website of the Company and a web link thereto shall be provided in the annual report of the Company.

DISCLOSURES

The Policy for determining material subsidiaries is to be disclosed to the Stock Exchanges and in the Annual Report of the Company, as per the provisions of laws in force. The policy shall also be uploaded on the website of the Company.
