
POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARY

FOR

ASHNOOR TEXTILE MILLS LIMITED

Introduction

In accordance with Regulation 16(1)(c) and Regulation 46(2)(h) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations"), the Company has formulated this policy for determining material subsidiary of the Company.

1. Material Subsidiary

A Subsidiary shall be considered as 'Material Subsidiary' if its income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

2. Disposal of Material Subsidiary

The Company shall not:

- a) dispose of its shareholding to less than 50% or cease the exercise of control over the material subsidiary without passing of special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- b) sell, dispose and lease assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal /lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

3. Policy Review

This policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendment.