POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARY

1. Title

This Policy shall be called the **"Policy for Determination of Material Subsidiary"** ("Policy") of **AMS POLYMERS LIMITED** ("Company").

2. Objective

The objective of this Policy is to determine the material subsidiaries of the Company and to provide the governance framework in accordance with the provisions of Regulation 16(1)(c) and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), including any statutory modification(s), amendment(s), or re-enactment(s) thereof.

3. Applicability

This Policy shall apply to all subsidiaries of the Company and shall be implemented in accordance with the provisions of the SEBI Listing Regulations and other applicable laws.

4. Definitions

Unless the context otherwise requires, the following terms shall have the meanings assigned below:

Act means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

Board means the Board of Directors of the Company.

Independent Director shall have the meaning assigned under the Companies Act, 2013 and the SEBI Listing Regulations.

Material Subsidiary according to regulation 16(1)(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 means a subsidiary whose turnover or net worth exceeds ten percent (10%) of the consolidated turnover or consolidated net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Subsidiary shall have the meaning assigned under the Companies Act, 2013 and the SEBI Listing Regulations.

Words and expressions used but not defined in this Policy shall have the meanings assigned to them under the Companies Act, 2013 and the SEBI Listing Regulations.

5. Criteria for Determination of Material Subsidiary

A subsidiary shall be considered as a Material Subsidiary for the regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 if:

- Its turnover exceeds twenty percent (20%) of the consolidated turnover of the Company and its subsidiaries in the immediately preceding accounting year; or
- Its net worth exceeds twenty percent (20%) of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.

6. Governance of Material Subsidiaries

The Company shall comply with the applicable provisions of Regulation 24 of the SEBI Listing Regulations with respect to its Material Subsidiaries, including but not limited to the following:

a. At least one Independent Director of the Company shall be a director on the Board of an unlisted material subsidiary, where required under the SEBI Listing Regulations.

b. The Audit Committee of the Company shall review the financial statements, investments, and significant transactions and arrangements of the unlisted subsidiaries as required under applicable laws.

c. The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity.

d. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Explanation- For the purpose of this regulation, the term “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.

e. The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding to less than or equal to fifty percent (50%) or cessation of control, except with the prior approval of shareholders by way of a Special Resolution, unless otherwise permitted under applicable law.

f. The Company shall not sell, dispose of, or lease the assets amounting to more than twenty percent (20%) of the assets of the material subsidiary during a financial year without obtaining prior approval of shareholders by way of a Special Resolution, unless otherwise exempted under the applicable provisions of law.

7. Disclosure

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company in accordance with the SEBI Listing Regulations.

8. Review and Amendment

The Board may review, amend, or modify this Policy from time to time in line with the requirements of applicable laws, rules, regulations, and amendments thereto.

9. Interpretation

In case of any ambiguity or inconsistency between this Policy and the provisions of the Companies Act, 2013, the SEBI Listing Regulations, or any other applicable law, the provisions of such applicable law shall prevail.

10. Effective Date

This Policy shall be effective from the date of its approval by the Board of Directors and shall remain in force until modified or rescinded by the Board.