

**UMIYA TUBES LIMITED**  
**(CIN: L28112GJ2013PLC074916)**

Registered Office:

208, 2nd Floor, Suman Tower, Sector No. - 11, Gandhinagar -382011 (Gujarat)  
Contact No: 9033090051, 9727715568 E-mail Id: [info@umiyatubes.in](mailto:info@umiyatubes.in) Website:  
[umiyatubes.co.in](http://umiyatubes.co.in)

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**UMIYA TUBES LIMITED**

**POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARY**

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**1. INTRODUCTION**

- 1.1 The board of directors of Umiya Tubes Limited (the “**Company**”) has adopted this policy with regard to determination of “Material Subsidiaries” (the “**Policy**”) in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI LODR Regulations**”).
- 1.2 Pursuant to Regulation 46(2) of the SEBI LODR Regulations, the Policy shall be hosted on the Company’s website at [umiyatubes.co.in](http://umiyatubes.co.in) and a web link thereto shall be provided in the annual report of the Company.
- 1.3 In the event of any conflict between the provisions of the Policy and the SEBI LODR Regulations or the Companies Act, 2013, as amended (the “**Companies Act**”), or any other statutory enactments or rules, the provisions of the SEBI LODR Regulations or the Companies Act or any statutory enactments or rules, shall prevail over the Policy.

**2. OBJECTIVE**

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries. The Policy is framed in accordance with the requirements of the SEBI LODR Regulations.

**3. DEFINITIONS**

“ <b>Board</b> ”	means the Board of Directors of the Company, as constituted from time to time
“ <b>Control</b> ”	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 shareholders agreements or voting agreements or in any other manner
“ <b>Independent Director</b> ”	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 Act and the listing agreement with the Stock Exchanges
“ <b>Material Subsidiary</b> ”	means a subsidiary whose turnover or net worth exceeds 10% (ten percent) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year
“ <b>Subsidiary</b> ”	means a subsidiary as defined under the Companies Act and the rules notified thereunder

Any other term not defined herein shall have the same meaning ascribed to it in the Companies Act, the SEBI LODR Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

**4. REQUIREMENT REGARDING MATERIAL SUBSIDIARY**

- 4.1 The Company, without the prior approval of the shareholders of the Company by way of a special resolution, shall not:

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- (a) dispose shares in the Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (fifty percent) or cease the exercise of control over the Material Subsidiary except in cases where such disinvestment is made under a scheme of arrangement duly approved by a court/ tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved; or
  - (b) sell, dispose and lease the assets amounting to more than 20% (twenty percent) of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the sale/ disposal/ lease is made under a scheme of arrangement duly approved by a court/ tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved. This shall not be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.
- 4.2 The Company and its unlisted Material Subsidiaries incorporated in India shall undertake secretarial audit and shall annex to its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.
- 4.3 At least one Independent Director on the Board of the Company shall be a director on the board of an unlisted Material Subsidiary, whether incorporated in India or not.

For the purpose of above clause 4.3, the term “Material Subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

**5. AMENDMENTS**

The Board may, subject to applicable laws, amend any provision(s), substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy. In the event of a conflict between the Policy and the extant regulations, the regulations shall prevail.