



COOL CAPS
INDUSTRIES

COOL CAPS INDUSTRIES LIMITED

Policy on Determination of Material Subsidiary

DOCUMENT DETAILS	
Policy Version	V.2
Effective Date	15 th Day of May, 2023
Approving Authority	Board of Directors
Date of Board approval	15 th Day of May, 2023

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1. INTRODUCTION:

The Board of Directors (the "Board") of Cool Caps Industries Limited (hereinafter referred as the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries, in line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). The Board will review and may amend this policy from time to time.

2. OBJECTIVE:

The purpose of forming the Policy is to determine the Material Subsidiaries of Company and to provide the governance framework for such subsidiaries.

3. APPLICABILITY AND GOVERNING LAW:

This policy will be applicable to the Company from the day it is adopted by the Board.

This Policy on Material Subsidiaries shall be governed by the Companies Act, 2013 read with Rules made thereunder, as may be in force for the time being as well as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "LODR") or such other Rules/Regulations, as may be notified by SEBI from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

This Policy is applicable to the company to the extent applicable to listed entity which has listed its specified securities on the SME Exchange as the company has listed its equity shares in SME Exchange of National Stock Exchange of India Ltd w.e.f. March 24th 2022.

4. DEFINITIONS:

"Act" means Companies Act, 2013 & rules made thereunder.

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of the Act and Regulation 18 of LODR.

"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 section 149 of the Act and Regulation 16(1)(b) of the LODR.

"Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"Policy" means Policy on determination of Material Subsidiary.



“Significant transaction or arrangement” means any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

“Subsidiary” shall be as defined under the Act and the Rules made thereunder.

5. PROVISION WITH REGARD TO MATERIAL SUBSIDIARY COMPANIES

1. The Audit Committee of the company shall also review the financial statements, in particular the investments made by the unlisted subsidiary company;
2. The minutes of the Board meetings of the unlisted material subsidiary company shall be placed at the Board meeting of the company;
3. The management shall periodically bring to the attention of the Board of Directors of the company, a statement of all significant transactions & arrangements entered in to by the unlisted subsidiary company;
4. The management of the Company shall annually present to the Board, the list of Material Subsidiaries.

6. DISPOSAL

The company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in General Meeting except in cases where such disinvestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

Further, sell, disposal & lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require approval of the shareholders by way of passing special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by Court/Tribunal.

7. DISCLOSURES

The Policy for determining material subsidiaries shall be uploaded on the website of the Company and shall be disclosed in such other way as per the requirement of provisions of law in force.

For COOL CAPS INDUSTRIES LTD.

Rajeev Goenka
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