

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Purpose of this policy

This Policy for Determining Material Subsidiaries (“Policy”) has been framed in accordance with the provisions of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (“SEBI LODR Regulations”). This Policy will be used to determine the material subsidiary and material unlisted Indian subsidiary of Accuracy Shipping Limited (the “Company” or “ASL”) and to provide the governance framework for such subsidiaries.

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

Definitions

“Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds 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 exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“Net Worth” shall mean the net worth as defined in sub-section 57 of section 2 of the Companies Act, 2013.

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

“Material Transaction” a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

“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.

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

Policy and procedure

1. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
2. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the board meeting of the Company at regular intervals.

3. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
4. At least one Independent Director of the Company shall be a director on the board of the unlisted material Indian subsidiary.
5. 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 its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by Court/Tribunal.
6. Selling, disposing and leasing of 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.
7. The provisions of this Policy shall apply to the listed subsidiary of the Company in so far as its subsidiaries are concerned.

Disclosures

The Company shall disclose the details of this Policy on the Company's website www.aslindia.net and a web link thereto shall be provided in the Annual Report.

Limitation and Amendment

In the event of any conflict between the provisions of this Policy and the Act or SEBI LODR Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI LODR Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI LODR Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

Any amendment to this Policy as per change in law or otherwise shall be made by the Managing Director, which shall be ratified at the next Audit Committee meeting of the Company held after such change.

Review

This policy shall be reviewed periodically and may be amended by the Managing Director of the Company, as may be deemed necessary. (Reviewed on 18th October 2020).