



ASIAN TEA & EXPORTS LTD.

CIN No. L24219WB1987PLC041876

Sikkim Commerce House, 4/1, Middleton Street, Kolkata – 700 071

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MATERIALITY POLICY

1. INTRODUCTION

The Board of directors ('the Board') of Asian Tea & Exports Ltd (hereinafter referred as the "Company" or "ASIANTE" as the case may be) has adopted the following policy and procedures with regard to determination of "material" subsidiaries as defined below.

The Board may review and amend this policy from time-to-time. This policy shall be applicable to the Company with effect from April 1, 2017.

This policy is in terms of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy shall be effective from the date of its approval by the Board of Directors.

2. POLICY OBJECTIVE

The objective of the policy is to determine the "material" subsidiaries of the Company and to provide the governance framework for such subsidiaries.

3. DEFINITIONS

"**Audit committee**" or "**committee**" means "audit committee" constituted by the Board of directors of the Company, from time-to-time, under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and rules framed thereunder.

"Board of directors" or "Board" means the Board of directors of Asian Tea & Exports Limited, as constituted from time-to-time.

"**Chief Financial Officer**" ('CFO') means a person appointed as the Chief Financial Officer of a Company. "Company" means Asian Tea & Export Limited, incorporated under the Companies Act, 1956.

"**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 the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"**Material Subsidiary**" shall mean a subsidiary, whose income or net worth exceeds twenty percent (w.e.f April 1, 2019 – ten percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"**Policy**" means this policy for determining material subsidiary.

"**Significant transaction or arrangement**" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10 per cent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

"**Subsidiary**" has the meaning as assigned to it under the Companies Act, 2013 and



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the Rules framed thereunder

4. POLICY

1. At least one independent director on the Board of directors of the Asian Tea & Exports Ltd shall be a director on the Board of directors of its unlisted material subsidiary company, incorporated in India subject to directive, if any, from SEBI in this regard.
2. The Audit Committee of Asian Tea & Exports Ltd shall also review the financial statements, in particular, the investments made by its unlisted subsidiary company.
3. The minutes of the Board meetings of the unlisted subsidiary companies of Asian Tea & Exports Ltd shall be placed at the Board meeting of Asian Tea & Exports Ltd.
4. The CFO/ Managing Director should periodically bring to the attention of the Board of directors of Asian Tea & Exports Ltd, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
5. The CFO Managing Director shall present to the Audit Committee annually the list of such material subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of independent director in the material unlisted subsidiary incorporated in India, subject to directive, if any, from SEBI in this regard.
6. Every material subsidiary of the Company incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.

5. DISPOSAL OF MATERIAL SUBSIDIARY

The Company without the approval of the members by special resolution in its general meeting, shall not:

- (a) dispose of shares in material subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% (fifty percent); or
- (b) ceases the exercise of control over the material subsidiary.

The Company, without the prior approval of the members by special resolution, shall not sell, dispose or lease the assets amounting to more than 20% (twenty per cent) of the assets of the material subsidiary on an aggregate basis during a financial year.

However, where a divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, the aforesaid restrictions shall not apply.

Furthermore, where Asian Tea & Exports Ltd has a listed subsidiary which is itself a holding company, the above clauses of policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

6. DISCLOSURES

The Company shall disclose the policy on the Company's website and a web link thereto shall be provided in the annual report.