



**CHAMBAL FERTILISERS
AND CHEMICALS LIMITED**

**POLICY FOR
DETERMINING MATERIAL SUBSIDIARIES**

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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. INTRODUCTION

The Board of Directors of Chambal Fertilisers and Chemicals Limited (“the Company”) at its meeting held on November 7, 2014 approved and adopted “Policy for Determining Material Subsidiaries” with effect from October 1, 2014 which was amended on April 30, 2015. In pursuance of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), this Policy has been further amended by the Board of Directors at its meeting held on November 3, 2015. This amended Policy is effective from December 01, 2015.

2. OBJECTIVE

This Policy aims to provide a framework for determining material subsidiaries of the Company and other related matters.

3. DEFINITIONS

The capitalised terms used but not defined herein shall have the meanings ascribed to such terms in the Companies Act, 2013, Rules framed thereunder and the Listing Regulations (“Statutory Provisions”), as the case may be. In case any provisions of this Policy are contrary to or inconsistent with the Statutory Provisions, the Statutory Provisions shall prevail.

4. DETERMINATION OF MATERIAL SUBSIDIARY

- I. A Subsidiary of the Company shall be considered as material Subsidiary (“Material Subsidiary”) if the income or networth of the Subsidiary exceeds 20% of the consolidated income or net worth respectively of the Company and its Subsidiaries in the immediately preceding accounting year.
- II. Based on the latest Financial Statements (including consolidated Financial Statements) of the Company, the Chief Financial Officer of the Company shall identify as on December 1, 2015 and thereafter, on annual basis as well as upon any change in the holding of the Company in any of the existing Subsidiaries or acquisition of a new Subsidiary, whether any of the Subsidiaries of the Company will be considered as Material Subsidiary as per the criteria given in this Clause 4.
- III. The name of each Material Subsidiary identified in the manner mentioned above shall be reported to the Audit Committee and the Board of Directors of the Company alongwith the annual audited Financial Statements. Further, in case of any change in the status of a Subsidiary during the year, the same should be reported to the Audit Committee and the Board in their meetings to be held following such change.

5. COMPLIANCES

The Company shall comply with the requirements of Listing Regulations in respect of each of its Material Subsidiary identified in terms of this Policy.

6. DISCLOSURE

This Policy shall be disclosed on the Company’s website www.chambalfertilisers.com and web link thereto shall be provided in the Annual report of the Company.

7. AMENDMENT

This Policy can be amended, modified, revised or abrogated by the Board of Directors of the Company from time to time.