

SC AGROTECH LIMITED

CIN NO- L01122DL1990PLC042207

REGD. ADDRESS: RZ-1484/28, GROUND FLOOR, TUGHLAKABAD EXTN.

NEWDELHI-110019, Phone: 011-65699900

EMAIL: sheel102@gmail.com; WEB: WWW.SCAGROTECH.IN

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

PREAMBLE

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) requires all listed companies to formulate a policy for determining ‘material’ subsidiaries.

In view of the above requirement(s), the Board of the Directors of the Company, has approved this policy.

OBJECTIVE

This Policy will be used to determine the Material Subsidiaries and Material Non-listed Indian Subsidiaries of the Company and to provide the governance framework for the same.

All the words and expressions used in this Policy, unless defined otherwise in this policy, shall have the same meaning as defined under SEBI Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

DEFINITIONS

“**Policy**” means this Policy for determining Material Subsidiaries.

“**Material Subsidiary**” means 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.

“**Unlisted Material Subsidiary**” means a material Subsidiary (whether incorporated in India or not) which is not listed on any Stock Exchanges in India or overseas and excludes the subsidiary the securities of which are proposed to be listed.

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“**Significant Transaction or Arrangement**” means 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 subsidiary for the immediately preceding accounting year.

“**Subsidiary**” as defined under section 2(87) of the Companies Act, 2013 and the Rules made thereunder.

All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

The words and expressions used in this Policy unless defined hereunder shall have the meaning assigned to them respectively in the Companies Act, 2013 and rules made thereunder, Listing Regulations, SEBI Act, 1992, Securities Contracts (Regulation) Act, 1956 or the SEBI (Issue of capital and disclosure requirements) regulations or any statutory modification or re-enactment thereof, as the case may be.

The Audit Committee shall review on annual basis such details / information as may be required to determine the ‘Material Subsidiaries’.

GOVERNANCE OF MATERIAL SUBSIDIARIES

- ❖ The Audit Committee shall review the financial statements of each unlisted Subsidiary including material subsidiary, in particular, the investments made by such unlisted subsidiary on a regular basis.
- ❖ The minutes of the Board Meetings of the unlisted subsidiary company shall be periodically placed before the Board.
- ❖ A statement of all significant transactions and arrangements entered into by the unlisted subsidiary company shall be periodically placed before the Board.
- ❖ Disposal of shares of material subsidiary, by the Company 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 shall require a special resolution in its General Meeting. The approval of shareholder shall not be required in cases where such divestment 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 Code.
- ❖ Selling, disposing and leasing of assets amounting more than twenty percent 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

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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 Code.

AMENDMENTS TO THE POLICY

The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s) or any other appropriate Statutory Authority.

If case of any inconsistency between this Policy and the Indian regulations, the requirements of the Indian regulations shall prevail.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities including SEBI, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.