

PICCADILY AGRO INDUSTRIES LTD

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES



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1. INTRODUCTION

Piccadily Agro Industries Limited (“**PAIL**” or “**Company**”) is governed amongst others by the rules and regulations framed by Securities Exchange Board of India (“**SEBI**”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 lays out regulatory requirements for material subsidiary companies (“**Policy**”).

This policy for determining a material subsidiary of has been adopted, in accordance with the Listing Regulations. The Board of Directors (**the “Board”**) of the Company has adopted the policy and procedures for determining material subsidiary companies in accordance with the provisions of Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Policy will be used to determine the material subsidiaries and material unlisted Indian subsidiaries of the Company 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 Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Act**”) 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 this policy from time to time provided such amendments are in line with the Listing Regulations.

2. OBJECTIVES:

The key objectives of this policy are:

- Meaning of Material Subsidiary;
- Restriction on disposal of shares of Material Subsidiary by the Company;
- Restriction on transfer of assets of Material Subsidiary; and
- Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS:

- “Board of Directors” means the Board of Directors of the Company
- “Company” means Piccadily Agro Industries Limited.
- Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- “Policy” means this policy, as amended from time to time.
- “SEBI” means the Securities and Exchange Board of India.
- “Rules” means the rules made under the Companies Act, 2013.
- “Stock Exchange(s)” means BSE Limited where the equity shares of the Company are listed.
- “Control” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
- “Independent Director/Public Interest Director” shall have the meaning given to it in the Companies Act, 2013 and SEBI(LODR), Regulations, 2015 and SEBI(Securities Contracts) (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.
- “Audit Committee” means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of the SEBI (LODR), Regulations, 2015.
- “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.
- “Material Unlisted Subsidiary” means an unlisted Material Subsidiary
- “Significant Transaction and 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 Unlisted Subsidiary for the immediately preceding accounting year.
- “Subsidiary” shall have the meaning given to it in the Companies Act, 2013.

4. PROCEDURE AND POLICY:

- At least one Independent Director of PAIL shall be a Director on the Board of the Material non-listed Indian Subsidiary Company.
- PAIL shall not, without the prior approval of the members by special resolution in its General Meeting, 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 Material Subsidiary except where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

- PAIL shall not, without the prior approval of the members by special resolution, sell, disposed-off or lease the assets amounting to more than 20%of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the same is made under a scheme of arrangement duly approved by a Court/ Tribunal.

- The Audit Committee of PAIL shall review the financial statements, particularly the investments made by the unlisted subsidiary company, on an annual basis.

- The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed before the Board of the Company on periodical basis.

- The management of the Company shall periodically bring to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered by the unlisted Subsidiary.

5. DISCLOSURE:

This “Policy on determining Material Subsidiaries” shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

Adequate disclosure relating to the subsidiary companies, as may be required under the provisions of the Companies Act, 2013 and the Listing Agreement, would be made by PAIL.
