



# **AGRIBIO SPIRITS LIMITED**

## **Policy relating to Material Subsidiary Company**

### **1. Introduction**

Explanation to regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) requires every listed company to formulate a policy for determining a “material” subsidiary and Regulation 46(2)(h) of the Listing Regulations requires each listed company to publish such policy under a separate section on its website.

The Board of Directors (the “Board”) of Agribio Spirits Ltd. (the “Company”) has adopted the following policy and procedures with regard to determination of material subsidiaries; in line with the requirements of Clause 49 of the Listing Agreement on Corporate Governance as revised vide SEBI Circular nos. CIR/CFD/POLICY CELL/2/2014 and CIR/CFD/POLICY CELL/7/ dated April 17, 2014 and September 15, 2014 respectively.

The Board may review and amend this policy from time to time.

### **2. OBJECTIVE OF THE POLICY:**

The objective of this Policy is to determine:

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

### **3. Applicability and governing law**

This Policy on Material Subsidiaries shall be governed by the Companies Act, 2013 read with Rules made there under, as may be in force for the time being as well as Clause 49 of the Listing Agreement or such other Rules/Regulations, as may be

notified by SEBI from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification)

#### **4. Key Definitions**

- A.) “Board” or “Board of Directors”** shall mean the Board of Directors of the Company.
- B.) “Company”** means Agribio Spirits Limited.
- C.) “Control”** shall have the same meaning as defined in **SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;**
- D.) “Independent Director/Public Interest Director”** shall have the meaning given to it in the Companies Act, 2013 and Listing Regulations, 2015 and SEBI (Securities Contracts) (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.
- E.) “Listing Regulations”** shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SEBI (Listing Regulations).
- F.) “Material Subsidiary”** is a subsidiary whose Turnover or net worth exceeds ten percent of the consolidated Turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- G.) “Significant Transaction or Arrangement”** shall mean 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 material unlisted subsidiary for the immediately preceding accounting year.
- H.) “Subsidiary”** shall be as defined under the Companies Act, 2013 and the Rules made there under.

#### **5. Policy on Material Subsidiaries**

At least one Independent Director of the Company shall be a director on the Board of Directors of the Material Non Listed Subsidiary Company.

The Audit Committee of Board of the Company shall review the financial statements of unlisted subsidiary company, in particular, the investments made by the unlisted subsidiary Company on an annual basis.

The minutes of the Board Meetings of the unlisted subsidiary company, shall be placed before the Board of the Company on a regular basis.

The management shall, on a regular basis bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

## **6. Disposal of Material Subsidiaries**

a) The Company shall not dispose shares in its Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than or equal to 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 a Court/Tribunal, or

b) Selling, disposing and leasing of the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year, shall require prior approval of the 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. Disclosures**

This policy shall also be uploaded on the website of the Company at [www.agribiospirits.co.in/](http://www.agribiospirits.co.in/) and a web link thereto shall be provided in the Annual Report of the Company.

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