



POLICY

ON

MATERIAL

SUBSIDIARIES

OF

SHARDA CROPCHEM LIMITED



SHARDA CROP CHEM LIMITED

1. Introduction

The Board of Directors ('Board') of Sharda Cropchem Limited ('the Company') 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.

2. Policy Objective

This Policy is framed to determine the Material Subsidiaries of the company and to provide the governance framework for such subsidiaries as per requirement of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

3. Definitions

“**Audit Committee**” or “**Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time and as per Companies Act 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Board of Directors**” or “**Board**” means the Board of Directors of Sharda Cropchem Limited.

“**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 SEBI (Listing Obligations and Disclosure Requirements) Regulations.2015.

“**Policy**” means Policy on Material Subsidiaries.

“**Subsidiary**” shall be defined under the Companies Act, 2013 and the Rules made thereunder.

4. Policy

A subsidiary shall be a Material Subsidiary, defined as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Material subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, listed entity and its subsidiaries in the immediately preceding accounting year.

At least one Independent Director of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.

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



The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall periodically be placed before the Board of the Company.

The Management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements, if any, entered into by the unlisted subsidiary company.

If a Company has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution, shall not:

- a. Dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b. Ceases the exercise of control over the Subsidiary; or
- c. Sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

without passing a special resolution in its General meeting except in cases where such disinvestment 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 and such an event is disclosed to the stock exchanges within one day of the resolution plan being approved.

6. Disclosures

The Policy shall be disclosed on the Company's website and a web link thereto shall be provided In the Annual Report of the Company.

This Policy shall be updated / amended as may be required from time to time.

This Policy was last updated in Board Meeting dated 22nd January, 2020.