



SHREE PUSHKAR CHEMICALS & FERTILISERS LTD.

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Introduction

The Board of Directors of Shree Pushkar Chemicals & Fertilisers Limited have adopted the following policy and procedures with regard to determination of Material Subsidiaries.

This Policy shall be called 'Policy for determining material subsidiaries'.

2. Objective

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries. The Policy is framed in accordance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

3. Definitions

"Act" means the Companies Act, 2013 as may be amended from time to time.

"Board of Directors" or "Board" means the Board of Directors of Shree Pushkar Chemicals & Fertilisers Limited, as constituted from time to time.

"Company" means Shree Pushkar Chemicals & Fertilisers 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 the Listing Regulations.

"Subsidiary" means a subsidiary as defined under the Act and Rules made there under.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

4. Policy

- I. A 'Material Subsidiary' shall mean a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- II. At least one Independent Director on the Board of the Company shall be a director on the Board of the Material Unlisted Subsidiary Company.

For the purpose of this particular clause –

- a) "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year; and
 - b) "Unlisted Subsidiary" shall mean a subsidiary whether incorporated in India or not and which is not listed on any of the Stock Exchanges.
- III. Other compliances as applicable with respect to such Material Subsidiary (ies) shall be in accordance with the Listing Regulations and other applicable laws, if any, for the time being in force.

The Company and its unlisted material unlisted subsidiaries incorporated in India shall Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.

5. Disclosure

This Policy for determining Material Subsidiaries shall be disclosed on the Company's website and a web link thereto shall be provided in its Annual Report.

6. Requirements regarding Material Subsidiary

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the 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 or

- 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,

unless in cases where the divestment/sale/disposal/lease 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 recognized stock exchanges within one day of the resolution plan being approved.

7. Amendments to the Policy

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

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