



**POLICY FOR  
DETERMINING  
MATERIAL SUBSIDIARIES**

**OSWAL AGRO MILLS LIMITED**  
(effective date: April 1, 2019)

Oswal Agro Mills Limited  
(CIN L15319PB1979PLC012267)  
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## OSWAL AGRO MILLS LIMITED

### POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

#### **Purpose and Scope:**

The Policy for determining 'material' subsidiary companies has been framed in accordance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The Board of Directors ("the Board") of the Company has adopted the policy and procedure for determining the material subsidiary companies in accordance with the provisions of regulation 16(1) (c) of the listing regulations.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Agreement 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.

#### **Identification of 'Material' subsidiary:**

In accordance with the provision of regulation 16 of the listing regulations, with effect from April 1, 2019, a subsidiary shall be considered as material if -

- a. the income of the subsidiary, exceeds 10% of the consolidated income of the Company as per the audited balance sheet of the previous financial year or
- b. the net worth of the subsidiary exceeds 10% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year.

For the purpose of regulation 24 (1) of the listing regulations, with effect from April 1, 2019, a subsidiary shall be a material subsidiary, if any of the following conditions are satisfied:

- a. the income of the subsidiary, exceeds 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year or
- b. the net worth of the subsidiary exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year.

In accordance with the provisions of regulation 24(5) & (6) of the listing regulations, the Company shall not:

- a. 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 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.
  - b. sell, dispose off and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.
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**Governance framework:**

- i. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- ii. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- iii. The management shall periodically 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.
- iv. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.

**Disclosure by the Company:**

This policy shall be disclosed on the Company's website and such web link shall also be provided in the Annual Report.

**Policy Review:**

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

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