



MKC AGRO FRESH LIMITED

POLICY ON MATERIAL SUBSIDIARIES

M K C AGRO FRESH LIMITED

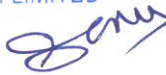
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CIN: U15122DL2009PLC187481

For MKC AGRO FRESH LIMITED


Director

POLICY ON MATERIAL SUBSIDIARIES

1. PREAMBLE

M K C Agro Fresh Limited (**'the Company'**) has floated the following Policy with regard to determination of material subsidiaries as defined below pursuant to Clause 16 (c) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. This Policy may be reviewed, amended and adopted at the discretion of the Board of Directors.

2. OBJECTIVE

To determine the material subsidiaries of M K C Agro Fresh Limited and provide the governance framework for such subsidiaries.

3. DEFINITIONS

"Audit committee" means the Audit Committee constituted by the Board of Directors of the Company from time to time under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act 2013.

"Board of Directors" or **"Board"** means the Board of Directors of M K C Agro Fresh Limited as constituted from time to time.

"Company" means a Company incorporated under the Companies Act, 2013 or under any previous Company law. Here Company refers to "M K C Agro Fresh Limited".

"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" means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

"Policy" means a policy on material subsidiary/ies.

"Material subsidiary" shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its

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subsidiaries in the immediately preceding accounting year.

“Significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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 be as defined under the Companies Act, 2013 and the Rules made there under.

Any other term not defined herein shall have the same meaning as defined under the Act, SEBI LODR or any other applicable law or regulation

4. POLICY

1. A subsidiary shall be a Material subsidiary if the income or net worth of the Subsidiary exceeds ten percent of the consolidated income or net worth of the Listed Company and its subsidiaries in the immediately preceding accounting year.
2. *Atleast one Independent Director on the Board of Directors of the Company shall be a director on the Board of the unlisted material subsidiary, whether incorporated in India or not.

**For the purpose of appointment of Independent Director, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.*

3. The Audit Committee of Board of the Company shall review the financial statements in particular the investments made by the unlisted subsidiary company.
4. The minutes of the Board Meetings of the unlisted subsidiary companies shall be placed before the Board of the Company on a quarterly basis.
5. The management of the unlisted subsidiary shall on a quarterly basis bring to the attention of the Board of Directors of the Company, a statement of significant transactions and arrangements entered by the unlisted subsidiary Company.

Explanation: For the purpose of this regulation, “Significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.

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6. Every material unlisted subsidiary incorporated in India shall undertake secretarial audit and the secretarial audit report shall be annexed with the annual report of the listed entity.

5. DISPOSAL OF MATERIAL SUBSIDIARY

The Company without the prior approval of the Members by special resolution shall not:

- a) dispose off shares in material subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- b) cease 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.

Such approval shall not be required if the disinvestment, sale, disposal, lease is:

- 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.

6. DISCLOSURES

As prescribed under Regulation 46(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this policy shall be disclosed on the Company's website <https://mkcagrofresh.com/> and a weblink thereto shall be provided in the Annual Report of the Company.

7. EFFECTIVE DATE

This Policy shall be effective from the date of approval by the Board, unless specified otherwise.

8. REVIEW OF POLICY

This Policy shall be reviewed by Audit Committee and Board as and when required and 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 upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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Director