



PRIME FRESH LIMITED

**POLICY FOR DETERMINING MATERIAL
SUBSIDIARIES**

1. INTRODUCTION

Pursuant to Regulation 16 © of chapter IV of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Board of Directors of Prime Fresh Limited has adopted following policy with regard to determining material subsidiaries.

2. OBJECTIVE

The Main object of this policy is to determine material subsidiaries of the company and to provide a framework for such material subsidiaries.

3. DEFINITIONS

“Board of Directors” or **“Board”** in relation to a company means collective Body of Directors of the Company under section 2(10) of the Companies Act, 2013.

“Company” means Prime Fresh 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 Agreement with the Stock Exchanges.

“Policy” means this policy, as amended from time to time.

“Subsidiary” shall mean a subsidiary as defined under the Act and Rules made thereunder.

“Material Non Listed Indian Subsidiary” shall mean a Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges and whose income or net worth exceeds 10% (ten per cent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Audit Committee” means Audit committee constituted by the Board of Director of the Company, from time to time, under Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

4. CONDITIONS

A Subsidiary shall be considered Material if any of the following conditions is satisfied;

- Investment of the Company in the Subsidiary exceeds 10% (Ten per cent) of its consolidated net worth as per the audited Balance Sheet of the previous Financial Year; or
- The Subsidiary has generated 10% (ten per cent) of the consolidated income of the company during the previous financial year.

5. RESTRICTION ON DISPOSAL OF MATERIAL SUBSIDIARY

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

- 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

- dispose shares in the material subsidiary which would cease the exercise of control over the 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.

6. CORPORATE GOVERNANCE FRAMEWORK

- One Independent Director of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company.
- The Management should 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.
- The Audit committee of Board of the company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the company.
- The management should 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.

7. AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

8. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

9. DISSEMINATION OF POLICY

This policy shall be hosted on the website of the Company.

Timon Ghelani
