



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, who satisfies the criteria for Independence under Section 149 of the Companies Act, 2013 and 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 Subsidiary” shall mean a Subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity 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;

- Turnover of the subsidiary exceeds 10% (Ten per cent) of the consolidated Turnover of the Company and its subsidiaries in the immediately preceding accounting year **or**
- Net worth of the subsidiary exceeds 10% (Ten per cent) of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.

5. CORPORATE GOVERNANCE FRAMEWORK

- At least one Independent Director on the Board of Directors of the listed entity 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 listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- The minutes of the meeting of the Board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity.
- The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary. [the term "significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (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].
- A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% fifty percent 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, 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.
- Selling, disposing and leasing of assets amounting to more than 20% (twenty percent) of the assets of the material subsidiary on an aggregate basis during a financial year shall require 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, 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, unless such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company."

Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity

- Where the listed entity 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.

6. 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.

7. 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.

8. DISSEMINATION OF POLICY

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

