



SIMRAN FARMS LIMITED

(Farmers' Friends Since 1989)

CIN: - L01222MP1984PLC002627

POLICY FOR DETERMINING “MATERIAL” SUBSIDIARY

SIMRAN FARMS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

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POLICY FOR DETERMINING **“MATERIAL” SUBSIDIARY**

1. INTRODUCTION

This policy for determining a material subsidiary (“Policy”) of **SIMRAN FARMS LIMITED** (the “Company”) has been adopted, in accordance with the Listing Regulations. The Board of Directors of the Company may amend this policy from time to time provided such amendments are in line with the Listing Regulations.

The Company has investments in one subsidiary company only. The Company does not have any material subsidiary as on the date of approving this Policy. This Policy shall apply for determining material subsidiaries of the Company. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all applicable laws and regulations, as may be amended from time to time.

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 (LODR) (including any amendments thereof).

3. DEFINITIONS

“Act” means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs as may be amended from time to time.

“Board of Directors” or **“Board”** means the Board of Directors of SIMRAN FARMS LIMITED, as constituted from time to time.

“Company” means SIMRAN FARMS LIMITED.

“Independent Director” means a director of the Company, not being a whole time director or Managing 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

“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, the, LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

“Material Subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds ten percent (10%) of the consolidated turnover or net worth respectively, of the listed company and its subsidiaries in the immediately preceding accounting year. [Regulation 16(1)(d)]

“Significant Transaction or Arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent (10%) 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.

4. POLICY & PROCEDURES

A subsidiary shall be considered as Material if –

- ❖ the 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

Material Non-Listed Indian Subsidiary shall mean a Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges

A list of such Material subsidiaries and Material Non-Listed Indian Subsidiaries shall be presented to the Audit Committee annually for its noting.

5. REQUIREMENT 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 or equal to 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 or under a resolution plan duly approved under section 31 of the Insolvency code and such an event is disclosed to the recognized stock exchange within one day of the resolution plan being approved.

Provided that 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.

6. ADDITIONAL REQUIREMENT FOR MATERIAL NON-LISTED SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a Director on the Board of the material non-listed subsidiary company, whether incorporated in India or not.

For the purposes of this requirement, “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.”

7. REQUIREMENT REGARDING UNLISTED SUBSIDIARY COMPANY

- ❖ The Audit Committee of the Company shall also 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 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.

EXPLANATION

The term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% 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.

8. 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, based on the recommendations of the Audit Committee.

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.

9. SCOPE AND LIMITATION

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

10. REVIEW

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

11. WEBSITE

This policy shall be disclosed on the website of the Company

This policy was amended by the Board of Directors in their meeting held on 11th February, 2025.

For SIMRAN FARMS LIMITED

Sd/-

Tanu Parmar

Company Secretary and Compliance officer