



INDIA PESTICIDES LIMITED

Determining Material Subsidiaries

Policy

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Document Control Log

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Action	Name	Designation & Department	Date
Prepared by	Ajeet Pandey	Company Secretary & Compliance Officer	08/01/2021
Reviewed by	S P Gupta	Chief Financial Officer	20/01/2021
Approved by	Board	Board	23/01/2021

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1. INTRODUCTION

In accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”), India Pesticides Limited (“IPL” or “the Company”) has formulated this policy for determining material subsidiary of the Company (“Policy”).

The Board had adopted the Policy at its meeting held on 23-01-2021.

Reference to statutory provisions or regulations shall be construed as meaning and including references to any amendment or re-enactment and any amendments to any statutory provisions or regulations or clarifications applicable to the Policy shall automatically be deemed to be included in the Policy, without any further amendment of the Policy by the Board or relevant committee of the Board.

2. SCOPE AND EXCLUSION

This Policy sets out the criteria for determining material subsidiary / subsidiaries of IPL.

A subsidiary shall be considered as “material subsidiary” if its income or net-worth exceeds ten percent of the consolidated income or net-worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3. POLICY

- a)** The audit committee (“Audit Committee”) of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
- b)** The minutes of the meetings of the Board of Directors (“Board”) of the unlisted subsidiary shall be placed at the meeting of the Board of the Company.
- c)** The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions or arrangements entered into by the unlisted subsidiary.
- d)** The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.
- e)** At least one independent director on the Board of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether SEBI Listing Regulations, 2015, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- f)** The Company’s material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.

g) The Company shall not without the prior approval of the Shareholders by way of Special resolution:

(i) 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 50% or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal/Company Law Board or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

(ii) Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal/ Company Law Board or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

4. COMMUNICATION AND DISSEMINATION OF THE POLICY

For all employees and Directors, a copy of this Policy shall be posted on the intranet and the web-site of the Company. The web link where the 'Policy for Determining Material Subsidiaries' shall be disclosed in the Corporate Governance Report, that would be a part of the Company's Annual Report.



5. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this Policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

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