

Dwarikesh Sugar Industries Limited

Policy on Material Subsidiaries

Prologue

At the outset, it is worth quoting here that at present the company is not having any subsidiary as defined in section 2(87) of Companies Act, 2013. However, pursuant to the requirements of regulation 46 (2) (h) of SEBI (LODR) Regulations, 2015, the Board of Directors (the “Board”) of Dwarikesh Sugar Ind. Limited (the “Company”) have adopted the following policy and procedures with regard to determination of Material Subsidiaries.

Objectives of the Policy

To decide the Material Subsidiaries of the Company as per the criteria laid down in Clause 49 of Listing Agreement.

Definitions

Primary constructions:

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

“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 material unlisted subsidiary for the immediately preceding accounting year.

Extended constructions:

The words and expressions used in this policy but not defined herein shall have same meaning respectively assigned to them in Clause 49 of the Listing Agreement with Stock Exchanges.

The Policy

1. A subsidiary shall be a **Material Subsidiary**, if any of the following criteria are met:
 - a. In which the Investment of the Company is more than 20% of its consolidated

net worth as per the audited balance sheet of the previous financial year;

Or

b. Which has generated twenty per cent of the consolidated income of the Company during the previous financial year.

2. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.

3. The Audit Committee of Board of the Company shall review the financial statements, specifically, the investments made by the Material Non Listed Subsidiary Company on an annual basis.

4. The minutes of the Board Meetings of the Material Non Listed Subsidiary Companies shall frequently be placed before the Board of the Company.

5. 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 Material Non Listed Subsidiary Company.

Sell or Disposal of Material Subsidiary

Selling, disposing and leasing of assets amounting to more than 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.

Other Disclosures

The Policy for determining material subsidiaries will be posted on the Company's website and a web link thereto will be provided in the Annual Report.

Policy change / amendment

The Board of Directors on its own discretion or on the recommendations of Audit Committee may amend this Policy, as and when required to do so. Any or all provisions of this Policy would be subject to revision / amendment as per the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.