



(FORMERLY KNOWN AS ADVANCE AGROLIFE PRIVATE LIMITED)

# ADVANCE AGROLIFE LIMITED

## POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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### Preamble

In accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "**Listing Regulation**") **Advance Agrolife Limited**("Company") is required to frame a policy for determining material subsidiary of the Company.

### A. Objective

The main objective of the policy is to determine the Material Subsidiaries of "Advance Agro life Limited" and to provide the Governance framework for such subsidiaries in compliance with applicable regulatory requirements.

### B. Definitions and Interpretation

In this Policy, the following words and expressions shall have the meaning assigned to them below:

<b>"Audit Committee"</b>	shall mean the Audit Committee of the Company constituted by the Board from time to time under Section 177 of the Companies Act, 2013 and regulation 18 of the Listing Regulations;
<b>"Board"</b>	shall mean the Board of Directors of the Company;
<b>"Company"</b>	shall mean Advance Agrolife Limited;
<b>"Directors"</b>	shall mean all the members of the Board of Directors of the Company, including the Independent Directors;
<b>"Material subsidiary"</b>	as per Regulation 16 (c) of the Listing Regulations shall mean a subsidiary, whose <b>turnover</b> or net worth exceeds ten percent of the consolidated <b>turnover</b> or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
<b>"Significant transaction or arrangement"</b>	shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten per cent of the total revenues or total expenses of total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.
<b>"Subsidiary"</b>	shall be as defined under the Section 2(87) of the Companies Act, 2013 and the rules made thereunder.
<b>"Unlisted Subsidiary"</b>	means a subsidiary whose securities are not listed on any recognized Stock Exchanges in India.
<b>"Listing Regulation"</b>	shall mean The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Act, Listing Regulations or any other applicable laws or regulations and amendments thereto.

### **C. Governance Requirements**

1. A Subsidiary Company shall be identified as “Material Subsidiary” whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
2. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
3. The minutes of the meetings of the board of the unlisted subsidiary shall be placed at the meeting of the Board of directors of listed entity.
4. The management of the unlisted subsidiary shall periodically bring to the notice of the Board, a statement of all significant transactions or 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 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.
5. 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.
6. At least one independent director on the Board shall be a director on the board of directors of an unlisted material subsidiary whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
7. 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.

### **Disposal of Material Subsidiary**

8. The Company shall not without the prior approval of the shareholders by way of a special resolution in its General Meeting:
  - a) 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% 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 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; and
  - b) selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year 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.

**D. Disclosures**

The Policy on Material Subsidiaries shall be disclosed on the Company's Website i.e. [www.advanceagrolife.com](http://www.advanceagrolife.com) and a web link thereto shall be provided in the Annual Report of the Company

**E. Review and Amendments**

The Board reserves the right to amend or modify this Policy in whole or in part, at any time. In case there are any inconsistency between any of the provisions of this Policy and applicable law, the applicable law shall prevail and any subsequent amendment/modification in applicable laws in this regard shall automatically apply to this Policy and this Policy shall be deemed to have been amended accordingly.

**Effective Date: 21-03-2025**

**Date of the approval by the Board: 07-02-2026**

**Version: 02**

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