

POLICY FOR
DETERMINING MATERIAL
SUBSIDIARIES

1. INTRODUCTION

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Board of Directors ("Board") of Simbhaoli Sugars Limited* ("SSL" or "the Company") has adopted the following policy with respect to the determination of Material Subsidiaries.

2. POLICY OBJECTIVE

The objective of this policy is to lay down criteria for identification and dealing with Material Subsidiaries.

3. DEFINITIONS

- i. "Act" means the Companies Act, 2013 and the rules made thereunder as amended from time to time.
- ii. "Audit Committee" means "Audit Committee" constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- iii. "Board of Directors or Board" means the "Board of Directors" of Simbhaoli Sugars Limited, as constituted from time to time.
- iv. "Company" means Simbhaoli Sugars Limited (M/s Simbhaoli Spirits Limited known as M/s Simbhaoli Sugars Limited in pursuance to Scheme of Amalgamation, as sanctioned by the Hon'ble High Court of Judicature at Allahabad).
- v. "Designated Securities" means specified securities, non-convertible debt securities, non-convertible redeemable preference shares, perpetual debt instrument, perpetual non-cumulative preference shares, Indian depository receipts, securitised debt instruments, units issued by mutual funds and any other securities as may be specified by the Board.
- vi. "Independent Director" means a Director on the Board of the Company, not being a Managing or Whole-Time Director or a Nominee Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies the criteria of independence as prescribed under the provisions of the Companies Act, 2013 (including the rules prescribed thereunder) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vii. "Listed Entity" means an entity, which has listed, on a recognised stock exchange(s), the Designated Securities issued by it or Designated Securities issued under Schemes managed by it, in accordance with the listing agreement entered into between the entity and the recognized stock exchange(s) under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

- viii. **“Material Subsidiary”** means a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the holding listed entity & its subsidiaries in the immediately preceding accounting year.
- ix. **“Policy”** means this Policy, as amended from time to time.
- x. **“Scheme of Arrangement”** means the listed entity shall ensure that any scheme of arrangement /amalgamation/merger /reconstruction /reduction of capital etc. to be presented to any Court or Tribunal do not in any way violate, override or limit the provisions of securities laws or requirements of the stock exchange(s).
- xi. **“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 material subsidiary for the immediately preceding accounting year.
- xii. **“Subsidiary”** shall mean a subsidiary as defined under the Act and the rules made thereunder.

4. PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY COMPANIES

- a. At least one independent director on the Board of Directors of the Listed Entity shall be a director on the Board of an unlisted Material Subsidiary, incorporated in India;
- b. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- c. The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the Board of the Company.
- d. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- e. The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% 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 as may be sanctioned by a Court / Tribunal;
- f. The Material Subsidiary shall not sell, dispose off and lease of assets amounting to more than 20% of its assets on an aggregate basis during a financial year without obtaining the approval of shareholders of the Company by way of special resolution in its General Meeting unless the sale/disposal/lease is made under a Scheme of Arrangement as may be sanctioned by a Court / Tribunal.

5. REVIEW OF STATUS

The Audit Committee in its first meeting of every financial year shall review the status of its subsidiaries to identify whether any subsidiary is required to be treated as a material subsidiary or any material subsidiary ceases to be as such. The details of such review shall be disclosed to the Board for taking necessary action.

6. REVIEW

The Board may in its discretion or on the recommendations of the Audit Committee or as per the requirements of the Act or Listing Regulations or other applicable laws, review or amend this Policy, in whole or in part, from time to time.

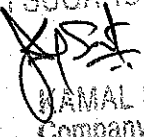
7. DISCLOSURES

The Policy shall be disclosed on the Company's website and a weblink thereto shall also be provided in the Annual Report of the Company.

8. EFFECTIVE DATE

This Policy shall be effective from 15th Day of February, 2016.

For SIMBHAOLI SUGARS LIMITED


KAMAL SAMTANI
Company Secretary
Signed

