



NOVA AGRITECH LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES:

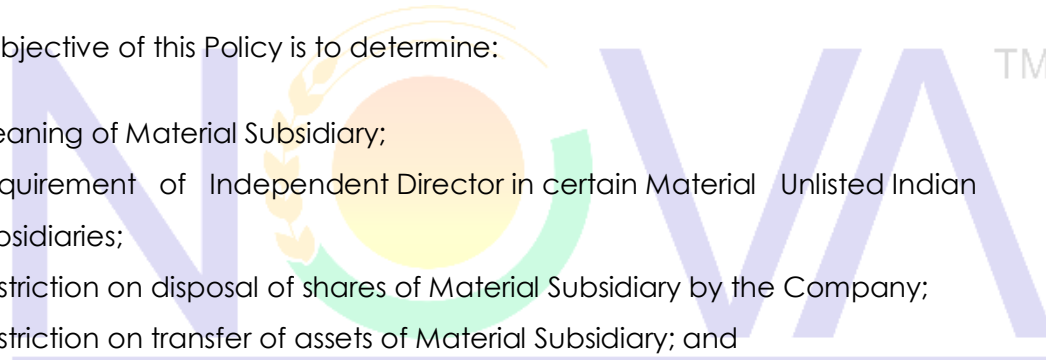
INTRODUCTION

Nova Agritech Limited ("Company") has formulated this policy for determining material subsidiary of the Company, in accordance with Regulation 16 (1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), which requires every listed company to formulate a policy for determining a "material" subsidiary and Regulation 46(2)(h) of the Listing Regulations, which requires each listed company to publish such policy on its website.

This policy for determining a material subsidiary ("Policy") of the Company has been prepared and adopted in accordance with the Listing Regulations.

OBJECTIVE

The objective of this Policy is to determine:

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- The logo watermark for Nova Agritech Limited is centered in the background. It features the word "NOVA" in large, light blue, sans-serif capital letters. To the right of "NOVA" is a smaller "TM" trademark symbol. Behind the letters, there is a circular emblem with a yellow sun-like center, a green leaf-like shape at the bottom, and a yellow arc at the top. A green circular arrow surrounds the central emblem.
- i) Meaning of Material Subsidiary;
 - ii) Requirement of Independent Director in certain Material Unlisted Indian
 - iii) Subsidiaries;
 - iv) Restriction on disposal of shares of Material Subsidiary by the Company;
 - v) Restriction on transfer of assets of Material Subsidiary; and
 - vi) Disclosure requirements, under the Listing Regulations and any other laws and regulations, as may be applicable to the Company.

INTERPRETATION

In this Policy, unless the context otherwise requires:

1. words denoting the singular shall include the plural and vice versa.
2. references to the words "include" or "including" shall be construed without limitation.

DEFINITIONS

- a) "Board" shall mean the Board of Directors of the Company.
- b) "Control" shall include the right to appoint majority of the directors, or to control the

management or policy decisions exercisable by a person or persons, acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements, or in any other manner.

- c) "Independent Director" shall have the meaning given to it in the Companies Act, 2013.
- d) "Material Subsidiary" means 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.
- e) "Material Unlisted Subsidiary" means an unlisted Material Subsidiary.
- f) "Significant Transaction and Arrangement" means any individual transaction or arrangement that exceeds, or is likely to exceed 10% of the total revenue 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.
- g) "Subsidiary" shall have the meaning given to it in the Companies Act, 2013.
- h) "Unlisted Subsidiary" means an unlisted Subsidiary of the Company.

**any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 & SEBI Listing Regulations or any other applicable law or regulation.

SIGNIFICANT TRANSACTIONS / ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES

The management should, periodically, bring to the attention of the Board, a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary.

RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company, without passing **a special resolution** in its General Meeting, **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
- ✚ dispose of shares in its Material Subsidiary, which would cease the exercise of control over the subsidiary,
- ✚ 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.

CORPORATE GOVERNANCE COMPLIANCES FOR MATERIAL SUBSIDIARY

- a. At least **1 (one) Independent Director** on the Board of the Company shall be a Director on the Board of the unlisted material subsidiary.

Note - for the purposes of this requirement, "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- b. The Audit Committee of the holding company shall, also, **review the financial statements**, in particular, the **investments** made by the Unlisted Subsidiary.
- c. The **minutes of the Board meetings of the Unlisted Subsidiary** shall be placed at the Board meeting of the Company.
- d. 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.

AMENDMENT

The Board (including its duly constituted committees wherever permissible), shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall automatically stand amended to reflect any changes to the SEBI Regulations, to the extent the same is the subject matter of this Policy.

DISCLOSURE

This Policy shall be disclosed on the Company's website in pursuant to Regulation 46(2)(h) of SEBI Listing Regulations and a web link thereto shall be provided in the annual report

[This Policy is approved and adopted by the Board of Directors in their meeting held on February 27, 2023]
