

OCEAN AGRO (INDIA) LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. TITLE

This Policy shall be called “Policy for determining Material Subsidiaries” (“Policy”).

2. OBJECTIVE & EFFECTIVE DATE OF THE POLICY

This Policy is framed in accordance with the requirements of Regulation 24 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 (including any amendments thereof) [herein after referred to as “Listing Regulations”] to be effective from 1st December, 2015 and is intended to ensure governance of the Company’s material subsidiary companies.

The Board of Directors (the “Board”) of the Company has adopted the following policy with regard to the determination of its Material Subsidiaries (Material Subsidiaries has been defined below).

3. DEFINITIONS

- i). **“Act”** means Companies Act, 2013 including any statutory modification or re-enactment thereof.
- ii). **“Board of Director”** or **“Board”** means the Board of Directors of the Ocean Agro (India) Limited, as constituted from time to time.
- iii). **“Company”** means Ocean Agro (India) Limited.
- iv). **“Holding Company”** means Holding Company as defined under Section 2 (46) of the Act.
- v). **“Independent Director”** means an Independent Director as defined in Section 2 (47) of the Act read with Regulation 16 (1) (b) of the Listing Regulations as amended from time to time.
- vi). **“Policy”** means this Policy for Determining Material Subsidiaries.
- vii). **“Subsidiary Company/ Subsidiary”** means Subsidiary Company/ Subsidiary as defined under Section 2 (87) of the Act and the Rules made there under.

4. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY/ MATERIAL NON-LISTED INDIAN SUBSIDIARY

- i). A subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year (“Material Subsidiary”).
- ii). A “material non-listed Indian subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the Listed Holding Company and its subsidiaries in the immediately preceding accounting year.

COMPLIANCE:

At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of a material non-listed Indian subsidiary company.

5. DISPOSAL OF MATERIAL SUBSIDIARY/ ASSETS OF MATERIAL SUBSIDIARY

- i). The Company shall not dispose of shares in its material subsidiary which would reduce the Company’s 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 the General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ Tribunal.
- ii). The Company shall not sell, dispose and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year unless it obtains the prior approval of shareholders by way of special resolution, except where the sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/ Tribunal.

6. REVIEW OF SIGNIFICANT TRANSACTIONS AND ARRANGEMENTS ENTERED INTO BY UNLISTED SUBSIDIARY COMPANY

The management should 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 company.

7. AMENDMENTS

The Board shall have the power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace this policy entirely with a new Policy.

8. INTERPRETATION

Any words used in the Policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 and Rules made there under, Listing Regulations or any other relevant legislation/ law applicable to the Company.

OCEAN AGRO (INDIA) LIMITED