

FERMENTA BIOTECH LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

[Pursuant to Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

(Amendment dates :

- February 11, 2025, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 and other statutory amendments, if any.)



1. Preamble:

Pursuant to the provisions of Clause (c) of sub-regulation (1) of Regulation 16 of the newly Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be enacted or amended from time to time (Listing Regulations), the Company's Board of Directors on the recommendation of the Audit Committee has formulated and adopted this policy (in substitution of the existing Policy for determining Material Subsidiaries).

2. Applicability:

The Policy is effective from December 01, 2015.

3. Definitions:

- (i) **"Act"** means Companies Act, 2013 including any statutory modification or re-enactment thereof.
- (ii) **"Company"** means Fermenta Biotech Limited (CIN: L99999MH1951PLC008485).
- (iii) **"Holding Company"** is as defined under Section 2(46) of the Act.
- (iv) **"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- (v) **"Subsidiary Company"** is as defined under Section 2(87) of the Act.
- (vi) **"Significant Transaction or Arrangement"** means the significant transaction or arrangement as defined in Regulation 24 (4) of the Listing Regulations.
- (vii) Any other term not defined herein, shall have the same meaning ascribed to it, as defined under the Companies Act, 2013 or the Rules made thereunder, Act, Rules and Regulations framed by the SEBI or any other relevant legislation/regulation applicable to the Company.

4. Identification of Material Subsidiary:

"Material Subsidiary" (in accordance with regulation 16(1)(c) of Listing Regulations)- shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

5. Governance framework:

- (i) At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not (read in accordance with regulation 24(1) of Listing Regulations wherein 'material subsidiary' shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- (ii) Other compliances as may be required by the Listing Regulations, the Act or any other applicable law.

6. Disposal of Material Subsidiary:

- (i) The Company shall not 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 fifty percent 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 duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- (ii) 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, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved; provided that nothing contained in this sub-clause (ii) shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

7. Disclosure:

As prescribed under the revised Regulation 46(2)(h) and Schedule V(c)-(10)(e) of the Listing Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

8. Scope and Limitation:

In the event of any conflict between the provisions of this Policy and the Listing Regulations, Companies Act, 2013 or any other statutory enactments or rules, the provisions of such Listing Regulations, Companies Act, 2013 or statutory enactments or rules shall prevail over this Policy.

9. Review of Policy:

The Audit Committee may recommend any change in the Policy; provided however that the change in / amendment to the policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Notwithstanding above, any amendment to Listing Regulations shall automatically be covered in this Policy and, in such case, the Company Secretary, without requiring the Board's approval, is authorised to make necessary alterations to the Policy provided that the amended Policy shall be placed before the Board for its noting and ratification or further amendments, if any.

In the event of any conflict between the provisions of this Policy and the Listing Regulations, the provisions of such Listing Regulations shall prevail over this Policy.

For FERMENTA BIOTECH LIMITED


PRADEEP CHANDAN
CHAIRMAN



