

Sheetal Cool Products limited.

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. Purpose of the Policy:

Sheetal Cool products 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 (**SEBI Listing Regulations**), which requires every listed company to formulate a policy for determining a “material” subsidiary and Regulation 46(2)(h) of the SEBI Listing Regulations which requires each listed company to publish this policy on company’s website. The Policy for Determining a Material Subsidiary (**Policy**) of the Company has been prepared and adopted in accordance with the SEBI Listing Regulations.

2. Scope / Objective of the Policy:

The objective of this Policy is to determine:

- i. Meaning of Material Subsidiary.
- ii. Restriction on disposal of shares of Material Subsidiary by the Company.
- iii. Restriction on transfer of assets of Material Subsidiary; and
- iv. Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. Definitions:

“**Audit Committee**” means the Audit Committee of the Board constituted by the Board of Directors of the Company, from time to time.

“**Board of Directors**” shall mean the Board of Directors of the Company.

“**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.

“**Material Subsidiary**” means a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries(s) in the immediately preceding accounting year.

“**Public Interest Director**” means an independent director representing the

interests of investors in the securities market and who is not having any association, directly or indirectly, which in the opinion of SEBI, is in conflict with his role.

“Significant Transaction and Arrangement” means 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.

“Subsidiary” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013.

Unless otherwise stated, all terms appearing in this Policy shall have the same meaning assigned to them in the Regulations from time to time.

4. Significant Transactions / Arrangements of Unlisted Subsidiary Companies:

The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

[Explanation - For the purpose of this clause, 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. Restriction on disposal of its assets of Material Subsidiary:

The Company shall not sell, dispose and lease assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year without passing a special resolution in a general meeting of its shareholders 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.

6. Other Corporate Governance Requirements with respect to Subsidiary of the Company:

The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the Board meeting of the Company.

7. Review / Amendments to Policy:

The Policy would be reviewed on an annual basis by the Board of Directors. In case there are any regulatory changes requiring modifications to the Policy, the Policy shall be reviewed and amended with due approval from the Board of Directors. However, the amended regulatory requirements will supersede the existing Policy till the time Policy is suitably amended.

8. Disclosure:

The Policy for determining Material Subsidiaries shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.