



DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

Registered Office: Dalmiapuram – 621651, Dist.: Tiruchirapalli, Tamil Nadu

CIN: L26942TN1951PLC000640

POLICY ON MATERIAL SUBSIDIARIES

1. Objective & Legal Framework

This Policy is framed in accordance with Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”), as amended up to date, and provides a governance framework for determining, monitoring, and oversight of Subsidiary and Material Subsidiary Companies of Dalmia Bharat Sugar and Industries Limited (“**DBSIL**” or “**the Company**”).

2. Definitions

Unless otherwise defined, terms used herein shall have the same meaning as assigned in the Companies Act, 2013 (“**the Act**”) and SEBI LODR.

“**Act**” means the Companies Act, 2013 and rules thereunder.

“**Audit Committee**” means the committee constituted under Section 177 of the Act and Regulation 18 of SEBI LODR.

“**Board**” means the Board of Directors of DBSIL.

“**Independent Director**” means a director under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR.

“**Subsidiary**” means a company as defined under Section 2(87) of the Act.

“**Material Subsidiary**” means a Subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively of DBSIL and its Subsidiaries in the immediately preceding accounting year.



“Significant Transaction or Arrangement” with respect to Unlisted Subsidiary means any individual transaction or arrangement that exceeds or is likely to exceed the threshold prescribed in Regulation 24(4) of SEBI LODR (currently 10% of total revenues or total expenses or total assets or total liabilities, of the unlisted subsidiary for the immediately preceding accounting year.

Any terms not defined herein shall have the same meaning as in SEBI LODR or the Companies Act, 2013.

3. Compliance with Respect to Unlisted Subsidiary Companies

- (a) The Audit Committee of DBSIL shall review the financial statements, in particular the investments made by the unlisted Subsidiaries.
- (b) The minutes of the Board meetings of the unlisted Subsidiaries shall be placed before the Board of DBSIL.
- (c) The management of the unlisted Subsidiaries shall periodically place before the Board of DBSIL a statement of all Significant Transactions or Arrangements entered into by that Subsidiary.
- (d) DBSIL shall include particulars of its Subsidiaries in its annual report and prepare consolidated financial statements in compliance with applicable laws.

4. Compliance with Respect to Material Subsidiary Companies

- (a) DBSIL shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either individually or together with other subsidiaries) to less than or equal to 50%, or cease to exercise control, without passing a Special Resolution in a general meeting, except where the disinvestment is made under a scheme 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.
- (b) DBSIL shall not sell, dispose of or lease assets amounting to more than 20% of the assets of any of its Material Subsidiaries on an aggregate basis



during a financial year without prior shareholder approval by way of a 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.

Nothing shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of DBSIL.

5. Compliance with Respect to Unlisted Material Subsidiaries

At least one Independent Director of DBSIL shall be a Director on the Board of an Unlisted Material Subsidiary, whether incorporated in India or abroad.

Explanation: For the purposes of this provision, the term “material subsidiary” shall mean a Subsidiary whose turnover or net worth exceeds 20% of the consolidated turnover or net worth of DBSIL and its Subsidiaries in the immediately preceding accounting year.

6. Additional Governance Measures

- (a) Each Material Subsidiary shall adopt a governance framework consistent with DBSIL’s Code of Conduct and Risk Management Policies.
- (b) The Audit Committee shall have access to auditors and management of each Material Subsidiary.
- (c) Internal audits of Material subsidiaries shall be reviewed by DBSIL’s Audit Committee.
- (d) This Policy and financial statements of all Subsidiaries shall be disclosed on the Company’s website and updated annually.
- (e) DBSIL shall ensure subsidiary-level data inclusion in Environment Social Governance/Business Responsibility and Sustainability disclosures, where applicable.



- (f) If DBSIL has a listed subsidiary, which is itself a holding company, provisions of this policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

7. Review and Amendment

This Policy shall be reviewed once in three years or upon regulatory amendments to the SEBI LODR or any other applicable law(s).

In case of conflict between this Policy and applicable laws/regulations, the later shall prevail.

In case of any subsequent changes in SEBI LODR or the Companies Act, 2013 which make any of the provisions of the Policy inconsistent with the same, the provisions of SEBI LODR or the Companies Act, 2013 would prevail over the Policy and the provisions of the Policy would be modified in due course to make it consistent with applicable law.

Any amendment shall be approved by the Board of Directors.

8. Disclosure

This Policy, as amended from time to time, shall be made available on the Company's official website www.dalmiasugar.com under the "Investors" section, and retained on the website for a minimum of five years. A web-link and subsidiary details shall also be provided in the Annual Report, as required under Regulation 46 and Schedule V of SEBI LODR.

Note: This Policy has been adopted by the Board vide its resolution dated January 30, 2015 and amended vide its resolution(s) dated February 02, 2018, October 24, 2019 and February 05, 2026.