



# **SHREE TIRUPATI BALAJEE AGRO TRADING COMPANY LIMITED**

**(FORMERLY KNOWN AS SHREE TIRUPATI BALAJEE AGRO TRADING  
COMPANY PRIVATE LIMITED)**

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARY AND GROUP COMPANIES**

**Registered Office: - Plot No-192, Sector-1, Pithampur, Dhar, MP 454775,  
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## **POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

### **1. INTRODUCTION**

This Policy has been formulated for determining “material subsidiary” pursuant to the provisions of Regulations 16 and 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This Policy shall be applicable to the Company with effect from 22<sup>nd</sup> November, 2023.

### **2. OBJECTIVE**

This Policy deals with determination of “material’ subsidiary” of **Shree Tirupati Balajee Agro Trading Company Limited** in terms of Regulation 16(1)(c) and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”) which states that the Company shall formulate a Policy for determination of the “material subsidiary”. This Policy is intended to ensure the governance framework of subsidiary.

### **3. DEFINITIONS**

- a) “Act” means Companies Act, 2013 and rules made thereunder.
- b) “Audit Committee” or “Committee” means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of the Act and the Regulations.
- c) “Board of Director” or “Board” means the Board of Directors of Shree Tirupati Balajee Agro Trading Company Limited, as constituted from time to time.
- d) “Company” means Shree Tirupati Balajee Agro Trading Company Limited.
- e) “Holding Company” in relation to one or more other companies, means a company of which such companies are subsidiaries companies.
- f) “Independent Director” means a director of the Company who satisfies the criteria of independence as specified under the Act and the Regulations.
- g) “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 in the immediately preceding accounting year.
- h) “Subsidiary Company” shall mean a subsidiary as defined under Section 2(87) of the Companies Act, 2013.
- i) “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.

All the words and expressions used in this Policy, unless defined here, shall have meaning respectively assigned to them under the Regulations and in the absence of its definition or explanation therein, as per the Act and the rules, notification and circular made/issued thereunder.



#### **4. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY**

A subsidiary shall be considered as a material subsidiary, if any of the following conditions is satisfied:

- a) A subsidiary whose income exceeds 10% of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year; or
- b) A subsidiary whose net worth exceeds 10% of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.

#### **5. PROVISIONS WITH REGARD TO SUBSIDIARY**

Compliances as applicable with respect to such Material Subsidiary(ies) shall be in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, for the time being in force.

#### **6. AMENDMENTS TO THE POLICY**

The Board of Directors may amend this Policy, as and when needed. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.



## **IDENTIFICATION OF 'MATERIAL' GROUP COMPANIES:**

### **REQUIREMENT**

As per Regulation 2(1)(t) of the SEBI ICDR Regulations, Group Companies shall include “such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India), and also other companies as considered material by the board of the issuer.

The Policy on materiality for determination of such companies as considered material by the Board, as below, shall be disclosed in the Draft Prospectus and the Prospectus issued by the Company in accordance with the provisions of the SEBI ICDR Regulations for the initial public offering of its equity shares (the “Offer Document”).

### **POLICY ON MATERIALITY**

For the purpose of disclosure in the Offer Documents, a company shall be considered and disclosed as a Group Company if:

- a. the companies with which there were related party transactions (in accordance with Ind AS 24), as disclosed in the Restated Financial Statements (“**Restated Consolidated Financial Statements**”) as included in Offer Documents; and
- b. such companies with whom the Company has entered into one or more related party transactions during the period after the last completed financial year and the stub period, if any, as included in the Offer Documents until the date of filing of the Issue Document (as defined below).

Accordingly, based on the Restated Consolidated Financial Statements of the Company for period ended September 30, 2023, Fiscals 2023, 2022 and 2021, below entities are identified as Group Company:

1. AON Textiles Private Limited
2. Foamnet Plastics Private Limited
3. Ever Bags Packaging Private Limited
4. Stable Textile Private Limited

For the avoidance of doubt, it is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other applicable authority with respect to listed companies and that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.