

POLICY FOR DETERMINING “MATERIAL SUBSIDIARIES”

OF

SHRI DINESH MILLS LIMITED

REGD. OFFICE: P. B. NO.2501. PADRA ROAD, VADODARA – 390 020

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A. INTRODUCTION

In accordance with the provision of Clause 49 of the Listing Agreement, the company has formulated this policy for determining material subsidiaries of the Company.

B. SCOPE AND EXCLUSION

The policy set out the criteria for determining Material Subsidiaries.

C. POLICY

A subsidiary Company will be considered as material Subsidiary of the Company,

1. If the investment of the Company in the subsidiary Company exceeds 20% of its consolidated net worth as per the Audited Balance Sheet of the previous financial year **or**,
2. If the Income or Net Worth (i.e. Paid-Up Capital & Free Reserves) of the Subsidiary Company exceeds 20% of the Consolidated Income or Net Worth of the Company during the previous financial year.

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