



POLICY ON

DETERMINE MATERIAL SUBSIDIARY

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POLICY ON DETERMINE MATERIAL SUBSIDIARY

1. Preamble

The Policy on Determination of Material Subsidiary is framed by Antony Waste Handling Cell Limited in compliance of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Policy will be used to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

2. Definitions

- a) **“Act”** means the Companies Act, 2013, as amended from time to time.
- b) **“Audit Committee”** means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c) **“Board of Directors”** or **“Board”** means the Board of Directors of Antony Waste Handling Cell Limited, as constituted from time to time.
- d) **“Company”** means Antony Waste Handling Cell Limited.
- e) **“Independent Director”** means a Director of the Company, not being a whole-time director or Managing Director or a Nominee Director and who satisfies other criteria for independence under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- f) **“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (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.
- g) **“Subsidiary”** means a subsidiary as defined under the Act and Rules made thereunder.

- h) Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation, amended from time to time.

3. Determination of Material Subsidiary

A Subsidiary, whether Listed or Unlisted, shall be considered Material if:

- i. Income of the Subsidiary exceeds 10% (Ten percent) of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year; or
- ii. Net Worth of the Subsidiary exceeds 10% (Ten percent) of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.

4. Governance framework for Material Subsidiary Company

- i. At least one Independent Director of the Company shall be appointed on the Board of the Unlisted Material Subsidiary Company, whether incorporated in India or not.
- ii. Explanation - For the purposes of this provision, notwithstanding anything to the contrary contained in clause 3 of this policy, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% (twenty percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- iii. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company.
- iv. The Minutes of the Meetings of the board of directors of the Unlisted Subsidiary Company shall be placed at the Meeting of the Board of Directors of the Company.
- v. The management of the Unlisted Subsidiary Company shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Company.
- vi. The Company shall require prior approval of shareholders by way of special resolution:
 - a. For dispose of shares in its Material Subsidiary Company resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than

or equal to 50% (fifty percent) or cease the exercise of control over the subsidiary 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.

- b. For Selling, disposing and leasing of assets amounting to more than 20% (twenty percent) of the assets of the Material Subsidiary Company on an aggregate basis during a financial year 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.
- vii. The Material Unlisted Subsidiary incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the Company.

5. Policy Review

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of subsidiary companies.

6. Interpretation

In any circumstance where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the said law, rule, regulation or standard.

7. Disclosure

The Policy is disclosed on Company's website i.e. www.antony-waste.com.