

Policy

For

Determining

'Material' Subsidiaries of

Anant Raj Limited



1. Objective

This policy deals with determination of Material Subsidiaries of Anant Raj Limited in terms of regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter termed as "Listing Regulations") which states that the Company shall formulate a policy for determination of the Material Subsidiary and the Policy intended to determine material listed or non-listed Indian or foreign subsidiaries of the Company, where applicable, and complying with disclosure/other requirements regarding such subsidiaries and disinvestment of their shares held by the Company, and, selling/ disposing/ leasing of assets of such subsidiaries by them.

2. Applicable Definitions:

2.1 "Act"

Act means Companies Act, 2013 & rules made thereunder.

2.2 "Audit Committee or Committee"

Audit Committee or Committee means the committee constituted by the Board of Directors of the Company, from time to time, under provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

2.3 "Independent Director" has the same meaning as defined under Companies Act, 2013 and Listing Regulations.

2.4 "Material subsidiary"

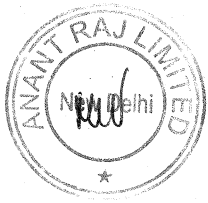
"Material subsidiary" shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

2.5 "Significant transaction or arrangement"

It shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% 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.

2.6 "Subsidiary"

Subsidiary company shall means a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and rules related thereto



Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation.

3. Guiding Principles

"Material subsidiary" of the Company would be identified, which would include, if any:

- Material listed Indian & foreign subsidiaries
- Material non listed Indian & foreign subsidiary,

as one time exercise and such exercise shall be done during each financial year and the conclusion placed before the Audit Committee and the Board of Directors of the Company.

4. Restriction on disposal of its assets by Material Subsidiary:

Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of 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

5. Restriction on disposal of shares of Material Subsidiary by the Company:

No company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting 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.

6. Other requirements regarding Subsidiary Companies;

- a) At least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material un-listed material subsidiary¹ company, whether incorporated in India or not.
- b) The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- c) The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed holding company.

¹For the purposes of this clause, "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year



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- d) The management should periodically bring to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
- e) Subsidiary company shall not either by its own or through its nominees, holds any shares in its holding company & no holding company shall allot or transfer its shares to any of its subsidiary companies & any such allotment or transfer of shares of a company to its subsidiary company shall be void.

Nothing contained in this clause, shall apply to a case:-

- ❖ Where the subsidiary company holds such shares as the legal representative of a deceased member of the holding company; or
 - ❖ Where the subsidiary company holds such shares as a trustee; or
 - ❖ Where the subsidiary company is a shareholder even before it became a subsidiary company of the holding company.
- f) The Company shall not directly/ indirectly purchase its own shares or other specified securities through any subsidiary company including its own subsidiary companies;
- g) The Company shall include particulars of its subsidiary companies in its annual return, if applicable ;
- h) The Company shall also attach along statement with its financial, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries;
- i) The Company shall, along with its financial statements to be filed with Registrar, attach the account of its subsidiary or subsidiaries which have been incorporated outside India & which have not established their place of business in India;
- j) The Company shall place separate audited accounts in respect of each of its subsidiary on its website, if any & shall provide the copy of such audited financial statements to any shareholder of the company, who asks for it.

7. Compliance by Step down subsidiaries

Where a listed holding company has a listed subsidiary which is itself a holding company, this policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

8. AMENDMENT

The Board of Directors may review or amend this policy, in whole or in part, from time to time as per the requirement of the Act or any other statute.

9. DISCLOSURES

The material subsidiaries policy shall be disclosed to the Stock Exchange & a web link thereto shall be provided in its Annual Report. Also the policy shall be disclosed on the Company's website as per the provisions of laws in force.

