



Policy
On
Determining Material Subsidiaries
Of
Anant Raj Limited

LEGAL FRAMEWORK

In accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“the SEBI (LODR) Regulations, 2015”], this Policy outlines the manner in which the Company will identify its “material” subsidiary and also prescribes certain governance requirements which need to be adhered to by a listed company with respect to management of its material subsidiary.

I. DEFINITIONS

1. “Act”

Act means Companies Act, 2013 & rules made thereunder.

2. “Audit Committee”

Audit Committee means the audit committee constituted by the Board of the Company from time to time as required in accordance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015.

3. “Board”

Board means the board of directors of the Company.

4. “Company”

Company means Anant Raj Limited.

5. “Independent Director”

Independent Director means a director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and the SEBI (LODR) Regulations, 2015.

6. “Significant Transaction or Arrangement”

Significant Transaction or Arrangement means any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten per cent) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of an unlisted subsidiary for the immediately preceding accounting year.

7. “Holding Company”

Holding company in relation to one or more other companies, means a company of which such companies are subsidiaries companies.

8. “Subsidiary Company”

Subsidiary company or subsidiary means a subsidiary as defined under Section 2(87) of the Act.

9. “Material Subsidiary”

“Material Subsidiary” means, except where otherwise specifically provided, a subsidiary, whose turnover or net worth exceeds 10% (ten per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

II. PROVISIONS WITH REGARD TO SUBSIDIARY COMPANIES

1. SUBSIDIARY COMPANIES

- ✓ The Audit Committee of the Company shall also review the financial statements, in particular the investments made by the unlisted subsidiary company.
- ✓ The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.
- ✓ The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions & arrangements entered into by the unlisted subsidiary company.
- ✓ The Company shall disclose all events with respect to its Subsidiaries which are material for the Company.
- ✓ Every material subsidiary incorporated in India shall undertake secretarial audit as referred under Section 204 of the Act and the secretarial audit report shall be annexed with the annual report of the Company.
- ✓ The Company shall appoint at least 1 (one) of its independent directors on the board of directors of its unlisted Material Subsidiary, whether incorporated in India or not. For the purpose of this para, the term 'Material Subsidiary' shall mean a subsidiary whose turnover or net worth exceeds 20% (twenty per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- ✓ The following items of subsidiary should be brought to the Company's Board:
 - All items of Governance;
 - All items of policy;
 - All items which are not in the ordinary course of business;
 - All items where special resolution is to be passed;
 - All Appointments of Executive Directors (EDs) and above.
- ✓ The nominee directors of the Company on the Board of subsidiary companies should apprise the Board of the Company about the activities of the respective subsidiary company from time to time. Further, they should bring all matters/ items of subsidiary companies to the knowledge of the Company's Board, which are not in ordinary course of business and in the opinion of such nominee directors, requires the attention of the Company's Board.

2. DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not without prior approval of the shareholders of the Company by way of a special resolution passed in a general meeting:

- ✓ dispose shares held by the Company in its Material Subsidiary which shall result in reduction of the Company's shareholding in the Material Subsidiary (either individually or together with its other subsidiary) to less than or equal to 50% (fifty per cent) or the Company ceasing to exercise control over the Material Subsidiary; or
- ✓ sell, dispose or lease assets of the Material Subsidiary (other than sale, disposal or lease between two wholly owned subsidiaries) which amount to more than 20% (twenty per cent) of the assets of the Material Subsidiary on an aggregate basis during a financial year.

Provided, shareholders' approval by way of a special resolution as aforesaid will not be required, if such disinvestment or sale, disposal or lease of assets:

- a) is under a scheme of arrangement formulated under the Act and duly approved by the National Company Law Tribunal; or
- b) is pursuant to a resolution plan is formulated and approved under section 31 of the Insolvency and Bankruptcy Code, 2016, and the approval of the resolution plan is notified to the concerned stock exchanged within one day of the resolution plan being approved.

III. 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.

Note: 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 upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.