

**ATLANTIC COMMERCIAL
COMPANY LIMITED
MATERIAL SUBSIDIARY POLICY**

1. Preface

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is required to formulate a Policy for determining its 'Material Subsidiaries' and their Governance guidelines thereof.

2. Definition

A. **"Audit Committee" or "Committee"** means Audit Committee of Board of Directors of the Company constituted under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and the Companies Act, 2013.

B. **"Company"** means ATLANTIC COMMERCIAL COMPANY LIMITED

C. **"Subsidiary"** shall means Subsidiary Company as defined under the Companies Act, 2013 and rules made thereunder.

D. **"Material Subsidiary"** shall mean a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

E. **"Independent Director"** means a director of the Company, who satisfies the criteria of Independence under the Companies Act, 2013 and 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 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.

3. Governance

(I) The Company shall follow the below practices in respect of all its 'Material Subsidiaries'

1. The company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent 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.

2. 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.

(II) The Company shall follow the below practices in respect of all its Material Un-Listed Subsidiaries

1. At least one Independent Director of the Company shall be a director on the Board of Directors of a Material Unlisted subsidiary Company.

Explanation - For the purposes of this provision, notwithstanding anything to the contrary contained in clause 2(D) above, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year

(III) The Company shall follow the below practices in respect of all its Unlisted Subsidiaries

1. The Audit Committee of the Company shall annually review the financial statements, in particular the investments made by unlisted Subsidiary Company
2. The minutes of the Board Meetings of Unlisted subsidiary Company shall be placed at the Board Meeting of the Listed Holding Company.
3. The management of the Company shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant Transactions or arrangements entered into by Unlisted Subsidiary.

4. Disclosures

The Policy shall be disclosed on the Company’s website and in the Annual Report of the Company.

5. Amendments

The Board of the Company shall review and amend the policy from time to time.
