

**AEONX DIGITAL TECHNOLOGY
LIMITED**

**(CIN: L62099MH1992PLC069615)
(FORMERLY KNOWN AS ASHOK ALCO-CHEM LIMITED)**

**POLICY FOR DETERMINING MATERIAL
SUBSIDIARIES**

(This policy shall be effective from April 1, 2019)

Policy for Determining Material Subsidiaries

1. Purpose and Scope:

The Policy for determining “material subsidiary companies has been framed in accordance with the provisions of Regulation 16 (1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as may be amended (“SEBI LODR Regulations”) (including any amendments or re-enactment thereof).

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

All other words and expressions used but not defined in this policy, but defined in the SEBI LODR Regulations, SEBI Act, 1992, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

2. Definitions:

- a) **“Audit Committee”**: Audit Committee means the committee formed under Section 177 of the Act by the Board of the Company, from time to time
- b) **“Board of Directors” or “Board”** means the Board of Directors of Aeonx Digital Technology Limited, as constituted from time to time.
- c) **“Company”** means Aeonx Digital Technology Limited.
- d) **“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 Companies Act, 2013 and the SEBI LODR Regulations.
- e) **“Policy”** means this Policy, as amended from time to time.
- f) **“Subsidiary”** shall mean a subsidiary as defined under the Companies Act, 2013 and Rules made thereunder.
- g) **“Material Subsidiary”** shall mean a subsidiary, whose income or net worth exceeds 10 % (Ten percent) of the consolidated income or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.
- h) **“Significant transactions 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.
- i) **“Networth”** means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013;

3. Identification of Material Subsidiary:

A subsidiary shall be considered as **Material** if-

A subsidiary shall be a Material Subsidiary, if its 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.

A list of such Material subsidiaries shall be presented to the Audit Committee annually for its noting.

4. Governance Framework:

- The audit committee of the Board of Directors of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the Company.
- The management of the unlisted subsidiary company shall periodically bring to the notice of the board of directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- At least one Independent Director on the Board of Directors of the listed entity shall be a director on the board of directors of an unlisted material Subsidiary company whether incorporated in India or not.

For the purpose of this provision, notwithstanding anything to the contrary contained in Regulation 16 of the SEBI Listing Regulations, the term "Material Subsidiary" shall mean a subsidiary, whose Income or Net Worth is exceeds 20% of the consolidated Income or Net Worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

5. Requirement regarding Material Subsidiary

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the 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 or
- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

except in cases where the divestment / 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 with one day of the resolution plan being approved.

6. Secretarial Audit

Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as

may be specified.

Disclosures:

7. The policy on identification of material subsidiary shall be disclosed on the Company's website & a web link thereto shall be provided in the Annual Report.

8. Amendments

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 material subsidiary companies.