



BIOTIC WASTE LIMITED
**(Formerly Known as Biotic Waste Private Limited & Vulcan Waste
Management Private Limited)**

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. **LEGAL FRAMEWORK**

In term of Regulation 16 (1) (C) of the “SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Regulations”) require every listed Company to formulate a policy for determining material subsidiaries.

In this context, the Board of Directors of Biotic Waste Limited (Formerly Known as Vulcan Waste Management Private Limited) (“the Company) is required to formulate a “Policy for determining Material Subsidiaries” to comply with the requirements of Regulation 16 (C) of the Listing Agreement with an objective for determining Material Subsidiaries of the Company and other related matters.

The policy can be modified and or amended with the approval of the Board of Directors of Biotic Waste Limited (Formerly Known as Vulcan Waste Management Private Limited).

Accordingly, the Board of Directors of Biotic Waste Limited (Formerly Known as Vulcan Waste Management Private Limited) (the “Company”) has adopted this Policy for determining Material Subsidiaries in its meeting of the Board held on 7TH July, 2018.

2. **DEFINITIONS**

- A. **“Board of Directors”** or “Board” Board of Directors or Board shall mean the Board of Directors of Biotic Waste Limited (Formerly Known as Vulcan Waste Management Private Limited), as constituted from time to time.
- B. **“Company”** Company shall mean “Biotic Waste Limited (Formerly Known as Vulcan Waste Management Private Limited)”.
- C. **“Listing Regulations”** Listing Regulations shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).
- D. **“Act”** means the Companies Act, 2013, Rules framed there under and any amendments thereto.
- E. **“Policy”** or “This Policy” means, “Policy for determining Material Subsidiaries”.
- F. **“Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto.

All terms used in the policy, but not defined above shall have the meanings ascribed to them in the Act or the Regulations, as the case may be.

3. **OBJECTIVE:**

The policy aims to provide a framework for determining Material Subsidiaries of the Company and to provide the governance framework for such Subsidiaries.

4. DETERMINATION OF MATERIAL SUBSIDIARY:

A subsidiary shall be considered as Material if –

- The investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- The subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.

Material Unlisted Indian Subsidiary shall mean a Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges and whose –

- Net worth exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year; or
- Income exceeds 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year.

A list of such Material subsidiaries and Material Non Listed Indian Subsidiaries shall be presented to the Audit Committee annually for its noting.

5. GOVERNANCE FRAMEWORK

i. At least one Independent Director of the Company shall be a Director on the Board of the unlisted material subsidiary, incorporated in India.

ii. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

iii. 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.

iv. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions or arrangements entered into by the unlisted subsidiary.

6. DISCLOSURE:

The policy shall be disclosed on the company's website and shall be provided in the Annual Report of the Company. The necessary disclosure, if any, about the policy will also be made as per the requirements of LODR Regulations and Companies Act 2013.

7. DISPOSAL OF MATERIAL SUBSIDIARY:

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

- 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%
- Dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
- Sell, dispose off and lease assets amounting to more than twenty percent of the assets of the material subsidiaries on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sell/disposal/lease is made under the scheme of arrangement duly approved by a Court/Tribunal.

8. EXPLANATION:

The term “significant transaction or arrangement” 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 material unlisted subsidiary for the immediately preceding accounting year.

9. REVIEW OF POLICY/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.

10. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules