



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

[Pursuant to Clause 16 (c) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

PREAMBLE

The following shall be the Policy on determining material subsidiaries of BCL Industries Limited ('Company'), as approved by the Company's Board of Directors. This Policy is subject to the Board's review and changes, as may be appropriate, from time to time in conformity with the requirements 16 (c) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As on date , the Company is having only one Subsidiary which is not a material subsidiary of the Company and there is no immediate applicability. However, the policy is devised in order to cater to the needs of the company in future when the Company would have Material Subsidiaries. The Board may review and amend this Policy from time to time.

PURPOSE

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries. All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Agreement and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued there under, as amended, from time to time.

DEFINITIONS

- a. "Audit Committee" means the Audit Committee of Board of Directors of the Company;
- b. "Board" means the collective body of the Directors of the Company;
- c. "Material Non-listed Indian Subsidiary" means a Material Subsidiary of the Company, incorporated in India, whose shares are not listed on any stock exchanges;
- d. "Material Subsidiary" means a subsidiary of the Company which satisfies any of the following conditions:
 - i. Investment in the subsidiary exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year; or
 - ii. The turnover/income or net worth (i.e., paid up capital and free reserves) of the subsidiary exceeds 20% of the consolidated turnover/income or net worth respectively of the Company during the previous financial year.
- e. "Significant Transaction or Arrangement" means 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 Material Non-listed Indian Subsidiary for the immediately preceding accounting year;
- f. "Subsidiary" means a company as defined under Section 2(87) of the Companies Act, 2013 and the Rules there under;
- g. "Policy" means this Policy on Material Subsidiaries.

POLICY

- a. At least one Independent Director on the Board of the Company shall be a director on the board of directors of a Material Non-listed Indian Subsidiary.
- b. Audit Committee of the Company shall 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 Company.

- d. The management of the Company shall on an annual basis bring to the attention of the Board, a statement of all Significant Transaction/s and/or Arrangement/s entered into by the unlisted Subsidiary company.
- e. The management of the Company shall on an annual basis present to the Audit Committee the list of unlisted subsidiaries along with details of the materiality. The Audit Committee shall review the same and make suitable recommendations to the Board.
- f. Without the prior approval of the shareholders of the Company by means of a special resolution, the Company shall not:
 - 1. dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent, except in cases where such divestment is made under a scheme of arrangement duly approved by a court or tribunal;
 - 2. cease to exercise control over the Material Subsidiary; &
 - 3. sell/dispose/lease assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the sale/disposal/lease is made under a scheme or arrangement duly approved by a court or tribunal.

Scope and Limitation:

In the event of any conflict between the provisions of this Policy and the SEBI's LODR Regulations, 2015/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

Alterations to Policy

The Board is authorized to review and make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall be in consonance with the provisions of the Acts and Regulations. Any subsequent amendment / modification in the Regulation and /or other applicable laws in this regard shall automatically apply to this Policy.

Disclosure:

As prescribed under Regulation 46 (1) of the SEBI's LODR Regulations, this policy shall be disclosed on the company's website www.bcl.ind.in and a weblink thereto shall be provided in the Annual Report of the Company.
