



Regd. Office:

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CIN: L24231PB1976PLC003624

BCL MATERIAL SUBSIDIARY POLICY

Policy for determining material subsidiaries

Introduction:

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.

Regulation 16 (1)(c) of SEBI (Listing Obligations & Disclosure Requirements) 2015, ["SEBI (LODR), Regulations, 2015"] requires the Company to formulate a policy for determining 'material' subsidiaries.

This document is the articulation of the policy of BCL INDUSTRIES LIMITED ("the Company") for determining material subsidiaries, and has been approved by the Board of Directors of the Company.

Criteria for determining material subsidiaries:

A subsidiary of the Company shall be considered as material if -

- a) the income of the subsidiary exceeds 10% of the consolidated income of the Company and its Subsidiaries in the immediately preceding accounting year.

OR

- b) the net worth of the subsidiary exceeds 10% of the consolidated net worth of the Company and its Subsidiaries in the immediately preceding accounting year.

For this purpose, the term 'subsidiary' shall have the meaning assigned to it under the Companies Act, 2013.

The definition of Material Subsidiary shall be subject to change as may be amended from time to time under Companies Act, 2013 or SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 or other applicable laws.

Requirements under Regulation 24 of SEBI (LODR) Regulations, 2015

1. At least one independent director on the Board of the Company, will be appointed as a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.

For the purposes of this clause, the term "material subsidiary" shall mean a Subsidiary Company, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

2. The Audit Committee of the Company shall review the financial statements, in particular, the

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investments made by the unlisted subsidiary.

3. 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.
4. The management shall periodically bring to the attention of the Board of the Company, a statement of all significant transactions and arrangements entered into by the unlisted Subsidiary Company.

Here, the term "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.

5. The Company, without prior approval of the shareholders by special resolution, shall not:
 - a) dispose of shares in the Material Subsidiary that reduces shareholding of the Company (either its own or together with other subsidiaries to less than 50% or results in cessation of control over the Material Subsidiary;
 - b) sell, dispose of or lease the assets amounting to more than 20% of the assets (on an aggregate basis during a financial year of the Material Subsidiary as per its audited stand-alone financial statements of previous financial year.

Except in cases where such disinvestment/sale/disposal/lease, as the case may be, is made under a scheme of arrangement duly approved by the Court / 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.
