

POLICY ON MATERIAL SUBSIDIARY

BANSAL WIRE INDUSTRIES LIMITED

Introduction:

The Board of Directors of Bansal Wire Industries Limited (“**the Company**”) has adopted the following policy and procedures with regard to determination of Material Subsidiary, as defined in this policy below.

Objective:

This policy deals with determination of Material Subsidiary of the Company in terms of regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**hereinafter referred as “Listing Regulations”**) which states that the Company shall formulate a policy for determination of the Material Subsidiary and the policy is intended to ensure the governance framework of material subsidiary companies.

Policy:

- **Identification of Material Subsidiary:**

A Material Subsidiary shall be identified on the following basis:

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

- **Compliances under the regulations**

In terms of Regulation 24 of SEBI (LODR), the Company shall make the following compliances in connection with the subsidiary: -

- ✚ The Audit Committee 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** 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.

Explanation: A transaction or arrangement shall be considered significant if it 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 unlisted subsidiary for the immediately preceding accounting year.

- ✚ At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of an **unlisted material subsidiary**, whether incorporated in India or not

Explanation – for the purpose of this provision, notwithstanding anything to the contrary contained in this policy, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year”

- ✚ The Company and its **material unlisted subsidiary** incorporated in India shall undertake Secretarial audit and shall annex a secretarial audit report, given by a company secretary in practice, in such form as may be specified, with the annual report of the Company.
- ✚ The Company shall obtain prior approval of shareholders by way of Special Resolution in General Meeting, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) resulting in reduction of its shareholding to less than 50% or equal to 50%, the Company ceases the exercise of control over the subsidiary.

Such approval shall not be required if the disinvestment is made:

- Under a scheme of arrangement duly approved by Court/Tribunal, or
- Under a resolution plan duly approved under section 31 of Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- ✚ The Company shall obtain prior approval of Shareholders by way of special resolution, if any sale, disposal and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year

Such approval is not required if such sale, disposal, lease of assets is:

- Under a scheme of arrangement duly approved by Court/Tribunal, or
- Under a resolution plan duly approved under section 31 of Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Compliance Responsibility

The Compliance Officer of the company shall ensure the compliance of this Policy and shall have the power to ask for any information or clarifications from the management in this regard.

Disclosure Of Events or Information

The Company shall disclose all events or information with respect to subsidiary, which are material for the Company as per Regulation 30(9) of the Listing Regulation.

Website

As per Regulation 46 (2)(h) of the Listing Regulation, this Policy shall be disclosed on the Company's website.

Review/Amendments

The Policy would be reviewed on an annual basis by the Board of Directors of the company. The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.