



# Bothra Metals & Alloys Ltd.

A House of Metals

## Policy for Determining Materiality and Subsidiary

- **Background**

Explanation to Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) requires every listed company to formulate a policy for determining a “material” subsidiary and Regulation 46(2)(h) of the Listing Regulations requires each listed company to publish such policy under a separate section on its website.

This policy for determining a material subsidiary (“Policy”) of BSE Limited (the “Company”) has been adopted, in accordance with the Listing Regulations. The Board of Directors of the Company may amend this policy from time to time provided such amendments are in line with the Listing Regulations.

- **Objective**

This Policy is framed and adopted to determine the “Material Subsidiary(ies) of the Company” and to provide the Governance Framework for such Subsidiary(ies). In determining whether or not a subsidiary of the Company is or has become a material subsidiary, the Company shall be guided by and follow this Policy and the applicable provisions of the LODR Regulations. Where there is a conflict between this Policy and the LODR Regulations, the provisions of the LODR Regulations shall prevail in making such a determination.

- **Definitions**

- **“Audit Committee”** means the committee constituted by the Board of Directors of the Company, from time to time, in accordance with section 177 of the Companies Act 2013 and Regulation 18 of the LODR Regulations.
- **“Independent Director”** shall mean an Independent Director of the Company who satisfies the criteria of Independence under the Companies Act, 2013 & LODR Regulations, as amended from time to time.
- **“Material Subsidiary”** shall have the meaning as defined in Regulation 16(1)(c) of the LODR Regulations, pursuant to which a material subsidiary means 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.
- **“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 unlisted subsidiary for the immediate preceding accounting year.
- **“Subsidiary”** shall mean as defined under Section 2 (87) of the Companies Act, 2013 and the Rules made thereunder.
- **“Unlisted Subsidiary”** means a subsidiary of the Company whose securities are not listed on any Stock Exchange(s) in India provided that where this term is defined (whether by way of definition, clarification, or explanation) under the LODR Regulations, it shall have the meaning as per such definition. 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.

- **Significant transactions / Arrangements of the unlisted subsidiary company**

The management should periodically bring to the attention of the Board a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary in a format similar to the format prescribed in the relevant accounting standards for the purpose of disclosure of related party transactions on a consolidated basis.

- **Restrictions on disposal of shares of the material subsidiary by the company**

The Company 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 fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in a general meeting of its shareholders except in cases where such divestment is made under a scheme of arrangement duly approved by a court/tribunal.

- **Restriction on disposal of its assets of the material subsidiary**

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company by way of special resolution unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a court/tribunal.

- **Other provisions related to unlisted subsidiary/material unlisted subsidiary**

- The Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary.
- The minutes of the Board meetings of the Unlisted Subsidiary shall be placed at the Board meeting of the Company.
- The management of the company shall annually present to the Board the list of Material Subsidiaries.



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