

Policy for Subsidiary

Objective: The objective of the 'Policy for Subsidiary' is to determine material subsidiaries of B&A Ltd (hereinafter referred to as the Company) and disclosures related thereto, as required under regulation 16 (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the Regulations).

Scope: Regulation 16 of the Regulations mandates the Board of Directors to adopt a policy for determining material subsidiary. Further Regulation 24 enumerates Corporate Governance need of the listed company with respect to its subsidiaries. Hence this policy is being adopted by the Board of Directors of the Company to determine:

- i. Meaning of 'Material' Subsidiary.
- ii. Requirement of Independent Director in certain Material non-listed Subsidiaries.
- iii. Restriction of disposal of Shares of a Material Subsidiary by the Company.
- iv. Restriction on transfer of Assets of a Material Subsidiary and
- v. Disclosure requirements, based on the Regulations.

Definitions: 'Act' shall mean the Companies Act' 2013.

'Independent Director' shall mean a Director of the Company not being a Whole Time or Managing Director and who is neither a promoter nor belong to the promoter group of the Company and who satisfies other criteria for independence under the Act' and Rules framed there under.

'Control ' shall include the right to appoint majority of the directors or to control the management and policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreement or voting arrangements or any other manner.

'Material Subsidiary' shall mean subsidiary of the Company whose income or net worth exceeds 20% (twenty percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

'Material Non-Listed Indian Subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% (twenty 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 % (ten percent) 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.

‘Subsidiary’ shall mean any body corporate which satisfies the criteria laid under the Act’.

‘Unlisted Subsidiary’ shall mean any subsidiary company whose securities are not listed on any stock exchange.

All other words and expressions used but not defined in this policy but defined in the Act’ or Regulations shall have the same meaning

Review of Subsidiaries and Procedures:

- a. The Audit Committee of Directors shall review the financial statements in particular the investments made by the unlisted subsidiary of the Company.
- b. The minutes of the meeting of the Board of Directors of the unlisted subsidiary of the Company shall be placed at the meeting of the Board of Directors of the Company at regular intervals.
- c. The Board shall be provided with a Statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
- d. One Independent Director of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company.

Disposal of interest in subsidiary: The Company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with its subsidiaries) to less than 50% (Fifty Percent) or cease to exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by Court/Tribunal.

Disclosures: The Company shall disclose in its Board’s report details of this Policy. This Policy shall be disclosed in the Company’s website and a web link thereto shall be provided in the Board’s report.

Approval and Review: The Board of Directors of the Company has approved and adopted this “*Policy for Subsidiary*” it shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.