

## **BHARTIYA INTERNATIONAL LIMITED**

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

Version no.: MATERIAL SUBSIDIARY POLICY/2022-23/01

Adopted on: 30/05/2022

[Pursuant to Regulations 16(1)(c) and 24 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “Listing Regulations”)]

#### **1. PHILOSOPHY**

This policy is called “BHARTIYA INTERNATIONAL LIMITED– POLICY FOR DETERMINING MATERIAL SUBSIDIARIES” (hereinafter referred to as “this Policy”).

This policy intends to comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, to determine material subsidiaries of the Company.

BHARTIYA INTERNATIONAL LIMITED (hereinafter referred to as “the Company”) has investments in various subsidiaries. This Policy shall apply for determining whether a subsidiary is a material subsidiary of the Company.

#### **2. MEANING OF TERMS USED**

- a. “**Act**” means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.
- b. “**Audit Committee**” shall mean the Audit Committee of the Board of Directors or such other Committee as may be approved by the Board of Directors, from time to time, under the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. “**Board**” refers to the Board of Directors of Bhartiya International Limited.
- d. “**Company**” refers to Bhartiya International Limited, having its Registered Office at 56/7, Nallambakkam Village (Via Vandalur), Chennai – 600048, Tamil Nadu, India.
- e. “**Subsidiary(s)**” shall mean subsidiaries of the Company as defined under the Act and as per the applicable accounting standards. Words, terms and expressions used and not defined in these rules or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 but defined in the Act shall have the same meaning respectively assigned to them in the Act.

### **3. POLICY AND PROCEDURES**

The Company shall consider a Subsidiary as a material subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year. (hereinafter referred to as "Material Subsidiary").

The Company shall nominate at least one Independent Director on the Board of Directors of the Company as a director on the board of directors of the unlisted Material Subsidiary, whether incorporated in India or not and whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

The Company shall follow such governance procedures in relation to Subsidiaries as may be outlined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act from time to time.

The Company shall not:

- a. 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%)/ cease the exercise of control over the Material 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 a Court/Tribunal, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved; and
- b. sell, dispose and/or lease assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved.

The Management of the Company shall monitor and ensure that as and when any of the subsidiary is determined as a Material Subsidiary the same shall be intimated to the Audit Committee. The Audit Committee shall review the same and make suitable recommendations to the Board to ensure compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard.

This Policy may be amended by the Board from time to time to be in line with any amendments made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Act and such other guidelines issued by SEBI.

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