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POLICY

FOR

DETERMINING MATERIAL SUBSIDIARIES

OF

BANG OVERSEAS LIMITED

DOCUMENT CONTROL SHEET

Version History

Version	Board Approval Date	Regulatory Updates	Effective Date
1.0	13 th August, 2014	Release date	December 01, 2015
2.0	12th February, 2019	Amended date	April 01, 2019
3.0	14 th February, 2025	Amended date	February 14, 2025

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION:

This Policy shall be called as “Policy for Determining Material Subsidiaries”, which is framed in accordance with the requirement stated under Regulation 16(1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and provides a governance framework for such determination in line with the requirements of the Regulations 16, 24 and other applicable regulations of the LODR and is intended to ensure governance of material subsidiary companies of Bang Overseas Limited.

OBJECTIVE & EFFECTIVE DATE OF THIS POLICY:

This Policy is amended in accordance with the requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Third Amendment) Regulations, 2024 to further amend the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“SEBI LODR”) with effect from December 12, 2024 and is intended to ensure governance of the Company’s material subsidiary companies.

The Board of Directors (the “Board”) of the Bang Overseas Limited (“the Company”) has adopted this Policy on Material Subsidiaries (the “Policy”) to set forth the procedure for determination of the Material Subsidiaries, Material Non-listed Subsidiaries and to provide governance framework for such subsidiaries.

This Policy was adopted on 12th February, 2019 by Board of Directors of the Company and recently revised on February 14, 2025, which shall be effective from February 14, 2025.

DEFINITIONS & INTERPRETATIONS:

In this Policy, unless the context otherwise requires:

- (a) **“Act”** means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- (b) **“Audit Committee”** shall mean the Audit Committee of the Board of Directors of Bang Overseas Limited by whatever name called framed under the provisions of Act and Listing Regulations.
- (c) **“Board of Director” or “Board”** shall mean the Board of Directors of Bang Overseas Limited.

- (d) **“Independent Director”** shall mean an Independent Director as defined in Section 2(47) of the Act read with SEBI LODR and as may be amended from time to time.
- (e) **“Net worth”** shall mean an aggregate of “paid up capital” and “free reserve” of the Company.
- (f) **“Holding Company”** shall mean means Holding Company as defined under Section 2(46) of the Act.
- (g) **“Subsidiary Company / Subsidiary”** means Subsidiary Company / Subsidiary as defined under Section 2(87) of the Act and the Rules made there under.
- (h) **“Regulations” or “Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **including any modifications, clarifications or re-enactment thereof.**
- (i) **“Significant transaction or arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of any 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.
- (j) **“Policy”** means this Policy on Material Subsidiaries and as may be amended from time to time.

CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY AND COMPLIANCE:

Material Subsidiary	A subsidiary shall be considered as “material” subsidiary under the following conditions: If the net worth or turnover of the subsidiary exceeds ten per cent of consolidated net worth or turnover respectively of the Company and its subsidiaries in the immediately preceding accounting year as per the audited balance sheet of the previous financial year;
	The Company shall, at the end of every financial year, determine whether each of its subsidiary falls under the criteria for Material Subsidiary and Material Unlisted Subsidiaries defined above. In case any of the Subsidiary falls under such criteria, the same is to be reported to the Board for its noting at the first instance.

COMPLIANCES WITH RESPECT TO SUBSIDIARIES:

1. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted Subsidiary company.
2. The minutes of the Board meetings of the unlisted Subsidiary companies shall be placed at the Board meeting of Company.

COMPLIANCES WITH RESPECT TO MATERIAL SUBSIDIARIES:

1. 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 50% or cease the 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 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 recognized stock exchanges within 1 (one) day of the resolution plan being approved.

“Control” for this purpose has the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

2. The Company shall not Sell, dispose and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without obtaining 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 recognized stock exchanges within 1 (one) day of the resolution plan being approved.
3. If such sale, disposal or lease of asset is between two wholly owned subsidiaries of the Company, prior approval of the shareholders of the Company by way of Special resolution is not required.

APPOINTMENT OF INDEPENDENT DIRECTORS

1. 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 outside.

(Explanation: For the purpose of this requirement, notwithstanding anything to the contrary contained in this Policy, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% (twenty per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.)

2. The management of the Company shall, every quarter, bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements, if any entered into by the Subsidiary company.
3. The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report given by a company secretary in practice in every financial year.

COMPLIANCES BY STEP DOWN SUBSIDIARIES:

1. Where a listed holding company has a listed subsidiary which is itself a holding company, the above provisions shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

SCOPE AND LIMITATION:

Any word used in this policy but not defined herein shall have the same meaning as prescribed to it in the Act, SEBI Act or Rules and Regulations made thereunder, Listing Regulations, Accounting Standards or any other relevant legislation / law applicable to the Company. In case of any dispute or differences between this Policy and provisions of Act / Listing Regulations, the later shall apply.

DISCLOSURES AND AMENDMENT:

- a) The Compliance with the requirements of this policy is to be mentioned in the quarterly compliance report submitted to the stock exchanges.
- b) The policy shall be disclosed on the website of the Company www.banggroup.com and a web link thereto shall be provided in the Annual Report of the Company.
- c) The Board of Directors or Committee so authorised for the purpose shall have the powers to review or amend any of the provisions of this Policy, substitute any of the provisions with a new provisions or replace this Policy entirely with a new Policy.
- d) The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.
- e) In case of any subsequent changes in the provisions of the Companies Act, 2013 (the Act) or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the Act or the Listing Regulations or such applicable law, the provisions of the Act or the Listing Regulations or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such changes.
