

# **POLICY ON MATERIAL SUBSIDIARIES**

**BIGBLOC CONSTRUCTION  
LIMITED**

## BIGBLOC CONSTRUCTION LIMITED

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### POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

*[Under Regulation 16(c) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

#### **OBJECTIVE:**

Under Regulation 16(c) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to formulate a Policy for determining "Material Subsidiaries". Accordingly, this policy is formulated in compliance of the said regulation.

#### **POLICY:**

- ❖ **Board of Directors or Board** "means the Board of Directors of the Company, as constituted from time to time.
- ❖ **"Company"** means a Bigbloc Construction Limited, a Public Limited Company incorporated under the Companies Act, 2013.
- ❖ **"Independent Director"** means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI's LODR, 2015 entered into with the stock exchanges.
- ❖ **"Audit Committee"** Audit Committee means the committee formed under Section 177 of the Companies Act, 2013.
- ❖ **"Significant transaction or arrangement"** It 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 material unlisted subsidiary for the immediately preceding financial year.
- ❖ **"Subsidiary"** shall mean a Subsidiary as defined under Section 2(87) of the Companies Act, 2013.
- ❖ **"Material Subsidiary"** shall mean a subsidiary shall be considered as Material if-
  - a) the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
  - b) the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.
- ❖ **"Unlisted Material Subsidiary"** shall mean a shall mean a Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges and whose:
  - a) net worth exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year; or

## **BIGBLOC CONSTRUCTION LIMITED**

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- b) income exceeds 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year.

A list of such Material subsidiaries and Material Non Listed Indian Subsidiaries shall be presented to the Audit Committee annually for its noting.

- ❖ Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other relevant legislation / law applicable to the Company.

### **REQUIREMENT REGARDING MATERIAL NON-LISTED INDIAN SUBSIDIARY & MATERIAL SUBSIDIARY COMPANIES**

The Company, without passing a special resolution in its General Meeting, shall not:-

- a) dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- b) dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
- c) sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

Unless in cases where the divestment/ sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

- ❖ At least one Independent Director on the Board of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company.
- ❖ The Audit Committee of the Company shall, at the meeting held every year for considering the audited annual financial statements, review the financial parameters of each of its Subsidiaries, if any to determine whether they are a material subsidiary or not. Based on the review, the Audit Committee may recommend to the Board the Compliances to be in place with respect to each of such material Subsidiaries.

### **PROVISION WITH REGARD TO SUBSIDIARY COMPANIES**

- ❖ The Audit Committee of the listed holding company shall also review the financial statements, in particular the investments made by the unlisted subsidiary company;
- ❖ The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed holding company;

## **BIGBLOC CONSTRUCTION LIMITED**

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- ❖ The management shall periodically bring to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions & arrangements entered into by the unlisted subsidiary company;
- ❖ Subsidiary company shall not either by its own or through its nominees, holds any shares in its holding company & no holding company shall allot or transfer its shares to any of its subsidiary companies & any such allotment or transfer of shares of a company to its subsidiary company shall be void.

Nothing contained in this clause, shall apply to a case:-

- Where the subsidiary company holds such shares as the legal representative of a deceased member of the holding company; or
- Where the subsidiary company holds such shares as a trustee; or
- Where the subsidiary company is a shareholder even before it became a subsidiary company of the holding company.
- ❖ The company shall not directly / indirectly purchase its own shares or other specified securities through any subsidiary company including its own subsidiary companies;
- ❖ The company shall include particulars of its subsidiary companies in its annual return;
- ❖ The company shall also attach along statement with its financial, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries;
- ❖ The company shall, along with its financial statements to be filed with Registrar, attach the account of its subsidiary or subsidiaries which have been incorporated outside India & which have not established their place of business in India;
- ❖ The company shall place separate audited accounts in respect of each of its subsidiary on its website, if any & shall provide the copy of such audited financial statements to any shareholder of the company, who asks for it.

### **DISCLOSURES**

The material subsidiaries policy shall be disclosed on the company's website & a web link thereto shall be provided in the Annual Report.

### **AMENDMENT**

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.