



# **MRS.BECTORS FOOD SPECIALITIES LIMITED**

**POLICY**

**FOR**

**DETERMINATION OF MATERIAL SUBSIDIARY**

## 1. LEGAL FRAMEWORK

Section 2(87) of the Companies Act, 2013 read with Regulation 16(1)(c) and Regulation 24(1) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires a listed entity to frame a policy for determining a “material” subsidiary, which shall be hosted on the website of the Company and the web link of the same is to be disclosed in the section titled as ‘Corporate Governance Report’ of the Annual Report of the Company.

## 2. PURPOSE

This Policy lays down the criteria for determining and dealing with material subsidiary of Mrs. Bectors Food Specialities Limited (hereinafter “the Company”) and disclosure thereof. The Policy also intends to ensure governance of Material Subsidiary Company by complying with directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions/arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiary by the Company wherever regulatory requirements arise.

## 3. DEFINITION

“**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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof.

“**Board of Directors**” or the “**Board**” shall mean the board of Directors of the Company, as constituted from time to time;

“**Company**” means Mrs. Bectors Food Specialities Limited;

“**Control**” shall include the right to appoint majority of the directors or to control the management or 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 shareholder agreements or voting agreements or in any other manner.

“**Directors**” mean all the Directors on the Board.

“**Independent Director**” means a non- executive Director of the Company, other than a nominee Director and who is neither a promoter nor belongs to the promoter group of the Company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations.

“**Listing Regulations or LODR**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto.

“**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds **ten percent** of the consolidated income or net worth respectively, of the Holding 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 immediately preceding accounting year.

“**Subsidiary**” means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013.

“**Unlisted Material Subsidiary**” means an unlisted subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation.

#### **4. COMPLIANCES UNDER LISTING REGULATIONS**

In terms of **Regulation 24** of the Listing Regulations, the Company shall make the following compliances in connection with its subsidiary post listing of its shares at stock exchanges:-

**A) REQUIREMENT REGARDING UNLISTED MATERIAL SUBSIDIARY COMPANY**

- **Independent Director on the Board of Unlisted Material Subsidiary company**

At least one Independent Director on the Board of the Company shall be a director on the board of the Unlisted Material Subsidiary.

- **Restriction on Disposal of Shares of Material Subsidiary by the Company**

The Company shall not dispose of the shares in its material subsidiary resulting in reduction of 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 one day of the resolution plan being approved

- **Restriction on Disposal of Assets of Material Subsidiary**

The Company shall not sell, dispose of or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without the prior approval of its 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 one day of the resolution plan being approved.

**B) REQUIREMENT REGARDING UNLISTED SUBSIDIARY COMPANY**

- **Financial Statement of Unlisted Subsidiary company**

The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

- **Minutes of Unlisted Subsidiary company**

The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.

- **Significant Transactions/Arrangements of Unlisted Subsidiary Company**

The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant Transactions or Arrangements entered into by the unlisted subsidiary.

## **5. REPORTING AND DISCLOSURE**

As specified in **Regulation 46(2)(h)** of the Listing Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

## **6. COMPLIANCE RESPONSIBILITY**

The Company Secretary and Compliance Officer shall ensure the compliance of this Policy and shall have the power to seek any information or clarifications from the management in this regard.

## **7. DISCLOSURE OF EVENTS OR INFORMATION**

The Company shall disclose all events or information with respect to subsidiaries which are material for the Company as per Regulation 30(9) of the Listing Regulations.

## **8. REVIEW/AMENDMENT**

The Board of Directors can amend this Policy, as and when deemed fit or post listing of its shares at recognised stock exchange/s. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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