



Policy for Determining Material Subsidiary

1. Purpose and Scope:

The Policy for determining 'material' subsidiary companies has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

2. Identification of 'Material' subsidiary:

A subsidiary shall be considered material if, its turnover or net worth exceeds **10 per cent** of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3. Governance framework (Reg. 24 of Listing Regulations) :

- i. At least one Independent Director of the Company shall be a director on the Board of the unlisted material subsidiary company, whether incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in Clause 2 above, the term "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds 20 percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- ii. The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary company.

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- iii. The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the Company.
- iv. The management of the unlisted subsidiary shall periodically bring to the attention of the Board of Directors of the Company, a statement of **all significant transactions and arrangements** entered into by the unlisted subsidiary company.

For the purposes of this provision, a transaction or arrangement shall be considered significant if it exceeds or is likely to **exceed 10 percent of 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.

- v. The Company shall obtain prior approval of shareholders by way of special resolution, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) results in reduction of its shareholding, to less than or equal to 50 percent or the Company ceases the exercise of control over such subsidiary:

Such approval shall not be required if the disinvestment is:

- 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.

- vi. The Company shall obtain prior approval of shareholders by way of special resolution, in case of any sale, disposal and leasing of assets amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year,

Such approval shall not be required, if such sale, disposal, lease of assets is:

- 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.

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Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the company.

- vii. Every material unlisted subsidiary incorporated in India shall undertake secretarial audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the secretarial audit report shall be annexed with the annual report of the Company.

4. Policy Review:

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

5. Limitations, Review and Amendment

In the event of any conflict between the provisions of this Policy and of the applicable law, the provisions of applicable law shall prevail over this Policy. Any subsequent amendment / modification to the applicable law shall automatically apply to this Policy.

6. Website:

This Policy shall be disclosed on the website of the Company.

Reviewed and Approved in Board Meeting

held on 15th May 2025

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