

POLICY ON DETERMINING MATERIAL SUBSIDIARIES

“Audit Committee” implies the audit committee constituted by the Board of Directors of the company from time to time under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange and the Companies Act, 2013.

“Board” implies Board of Directors of BNK Capital Markets Limited.

“Company” implies BNK Capital Markets 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 person acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreement or voting agreement or in any other manner.

“Directors” implies all the Directors of the Board.

“ED” implies Executive Director of the Company.

“Independent Director” implies 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with respective Stock Exchanges in India.

“SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015” implies SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as entered into by the Company with the Stock Exchanges in India as prescribed by the Securities Exchange Board of India.

“Material Un-Listed Indian Subsidiary” implies an unlisted subsidiary, incorporated in India, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Policy” implies this policy on determination of Material Subsidiaries of the Company.

“Significant Transaction or Arrangement” implies 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 accounting year.

“Subsidiary” shall mean as defined under the Companies Act, 2013 and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation.

1. PURPOSE OF THE POLICY

The purpose of this Policy is determination of Material Subsidiaries and disclosure thereof as required by Regulation 16, 24 & 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy also intends to ensure governance of Material Subsidiary companies 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 subsidiaries by the Company.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to determine (a) meaning of Material Subsidiary (b) requirement of Independent Director in certain Material Un-Listed Indian Subsidiaries (c) Restriction on disposal of shares of Material Subsidiary by the Company (d) Restriction on transfer of assets of Material Subsidiary and (e) disclosure requirements, based on Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

3. INDEPENDENT DIRECTOR ON THE BOARD OF MATERIAL UN-LISTED INDIAN SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a director on the board of the Material Un-Listed Indian Subsidiary.

4. SIGNIFICANT TRANSACTIONS / ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES

The management should periodically submit to the Board a statement of all Significant Transactions and Arrangements entered into by the Material Un-Listed Indian Subsidiary.

5. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose off 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%] or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment is under a scheme of arrangement duly approved by a court/tribunal.

6. RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than twenty percent [20%] of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require 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.

7. REPORTING AND DISCLOSURE

As prescribed by revised Regulation 16, 24 & 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

8. REVIEW OF THE POLICY

This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.

This has been adopted in the Board meeting held on 07.11.2015 and shall be updated & reviewed as and when required.

For and on Behalf of the Board
BNK Capital Markets Limited

Sd/-

Ajit Khandelwal
Managing Director