BEHARI LAL ENGINEERING LIMITED

POLICY ON MATERIAL SUBSIDIARIES

1. REGULATORY FRAMEWORK

1.1 This policy ("**Policy**") of Behari Lal Engineering Limited ("**Company**") has been prepared and adopted in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR"**) read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and Companies Act, 2013 ("**Act**") read with the Companies (Amendment) Act, 2017 along with circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

1.2 Regulation 16 (1) (c) of SEBI LODR requires the Company to formulate a policy for determining 'material' subsidiary and Regulation 46(2)(h) of SEBI LODR requires the Company to publish such policy on it's website.

1.3 All words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under SEBI LODR and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("**Act"**) and the Rules, Notifications and Circulars issued thereunder, as amended from time to time.

1.4 The Audit Committee shall review the policy periodically and may amend the same from time to time, as may be deemed necessary.

2. DEFINITIONS

2.1 "**Audit Committee**" means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and regulation 18 of SEBI LODR.

2.2 "**Independent director**" means a director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for Independence in accordance with section 149 the Act and regulation 16(1) (b) of SEBI LODR.

2.3 "**Significant transaction or arrangement**" means any individual transaction or arrangement that exceeds or is likely to exceed ten percent (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.

3. OBJECTIVES OF THE POLICY

The objective of this policy is to determine the following:

3.1 MEANING OF MATERIAL SUBSIDIARY

3.1.1 "**Material Subsidiary**" means a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3.2 REQUIREMENT OF INDEPENDENT DIRECTOR IN CERTAIN UNLISTED MATERIAL SUBSIDIARIES

3.2.1 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 not.

3.2.2 For the purposes of this provision, notwithstanding anything to the contrary contained in this Policy, the term "**material subsidiary**" means a subsidiary, whose income or net worth exceeds twenty percent (20%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3.3 RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

3.3.1 The Company shall not dispose of shares in its material subsidiary resulting in reduction of 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 a General Meeting of its shareholders except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

3.4 RESTRICTION ON TRANSFER OF ASSETS OF MATERIAL SUBSIDIARY

3.4.1 The company shall not sell, dispose and lease assets amounting to more than twenty percent (20%) of the assets of the material subsidiary on an aggregate basis during a financial year without taking 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.

Moreover, as per regulation 24A of SEBI LODR, every material unlisted subsidiary incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the Company.

3.5 DISCLOSURE REQUIREMENTS UNDER SEBI LODR

3.5.1 The Audit Committee of the Company shall review the financial statements, particularly the investments made by the unlisted subsidiary.

3.5.2 The minutes of the meeting of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the Company.

3.5.3 The management of the unlisted subsidiary shall periodically bring to the notice of the board of the directors of the Company, a statement of significant transactions and arrangements entered into by the unlisted subsidiary.

3.5.4 The company shall disclose this Policy on the Company's website at www.beharilalengineering.com and a web link thereto shall be provided in the Board's Report.

3.6 APPLICABILITY

3.6.1 The Company, at present, does not have any material listed / unlisted subsidiary. If, however, in the future any existing subsidiary becomes a material subsidiary as per this policy or the company acquires a material subsidiary at a later date, then the Company shall adhere to all the applicable provisions laid down under this policy or any amendments thereto.

The above policy was reviewed and approved by the Board of Directors at its meeting held on 26th March 2025.

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