

BALAJI TELEFILMS LIMITED

Policy For Determining Material Subsidiary

This policy has been framed by the Company pursuant to Regulation 16 (c) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to ensure compliance with the applicable provisions of the Listing Agreement and will come into effect from February 4, 2016.

Definition:

- (i) “Act” means Companies Act, 2013 including any statutory modification or re-enactment thereof;
- (ii) “Subsidiary Company” is as defined under clause 2(87) of the Act;
- (iii) “Holding Company” is as defined under clause 2(46) of the Act;
- (iv) “BTL” means Balaji Telefilms Limited;
- (v) The term “material non-listed Indian Subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (paid -up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of BTL and its subsidiaries in the immediately preceding accounting year;
- (vi) The term “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 material unlisted subsidiary for immediate preceding accounting year.

Basis of Determining Material Subsidiary:

This Policy lays down the basis of determining Material Subsidiaries of the Company and related issues as specified in the provisions of Regulation 16 (c) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

A Subsidiary shall be considered as material if income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

On the basis of the above, BTL shall determine ‘material subsidiary’.

Implementation and Approval process:

- a) Pursuant to Regulation 24 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, BTL shall not dispose of shares in its material subsidiary which would reduce BTL’s 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 case where such divestment is made under a Scheme of Arrangement duly approved by a Court / Tribunal).

b) Prior approval of Shareholders of BTL by way of a Special Resolution will be obtained for sale, disposal of and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on aggregate basis during the financial year (except in case where such sale / disposal / lease is made under a Scheme of Arrangement duly approved by a Court / Tribunal). In the event subsidiary of BTL becomes listed subsidiary which itself is a holding company, then this policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

c) The management of BTL 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 a material unlisted subsidiary company.