

BALAJI TELEFILMS LIMITED

Policy For Determining Material Subsidiary

This policy has been framed by the Company pursuant to Regulation 16 (1) (c) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) to ensure compliance with the applicable provisions of the Listing Regulations and will come into effect from December 1, 2015.

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) “ Company” means Balaji Telefilms Limited(“BTL”);
- (v) Board or BOD means the Board of Directors of BTL as constituted from time to time
- (vi) 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 10% of the consolidated income or net worth respectively of BTL and its subsidiaries in the immediately 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 (1) (c) of Listing Regulations.

A Subsidiary shall be considered as material if income or net worth exceeds ten 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, Board shall determine ‘Material Subsidiary’.

Implementation and Approval process:

- a) Pursuant to Regulation 24 of Listing Regulations, 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 Company 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 an 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.

Amendment

The Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Listing Regulations, Act or any law for the time being in force. 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.

Note: This policy was last amended by the Board of Directors at their meeting held on February 04, 2016.
