

**B.A.G. FILMS AND MEDIA LIMITED  
POLICY FOR DETERMINING MATERIAL SUBSIDIARIES  
OF  
B.A.G. FILMS AND MEDIA LIMITED**

## **1. LEGAL FRAMEWORK**

In terms of Regulation (16) (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“SEBI Listing Regulations”) requires the Company to formulate a policy for determining material subsidiary and to publish such policy under separate section on its website.

## **2. POLICY STATEMENT**

Accordingly, in order to adhere to the specific requirement of SEBI Listing Regulations to formulate a policy, the Board of Directors of the Company has expressly adopted the Policy for determining “Material” Subsidiaries (hereinafter referred to as ‘**the Policy**’) of B.A.G. Films and Media Limited.

## **3. DEFINITION**

- (i) “**Act**” means Companies Act, 2013 including any statutory modification or re - enactment thereof;
- (ii) “**Audit Committee**” means the Committee formed under section 177 of the Companies Act, 2013.
- (iii) “**Board or BOD**” means the Board of Directors of BFML as constituted from time to time;
- (iv) “**Company**” means B.A.G. Films and Media Limited(“BFML”);
- (v) “**Holding Company**” is as defined under clause 2(46) of the Act;
- (vi) “**Material Subsidiary**” shall mean a subsidiary, whose income or net worth (paid -up capital and free reserves) exceeds 10% of the consolidated income or net worth respectively, of BFML and its subsidiaries in the immediately preceding accounting year;
- (vii) “**Material Unlisted Subsidiary**” means an unlisted Material Subsidiary.
- (viii) “**Policy**” means this Policy for Determining Material Subsidiaries of the BFML.
- (ix) “**SEBI Listing Regulations**” shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (x) “**Subsidiary Company**” is as defined under clause 2(87) of the Act;
- (xi) 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 unlisted subsidiary for immediate preceding accounting year.
- (xii) “**Unlisted Subsidiary**” means an unlisted Subsidiary of the Company.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

#### **4. 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 the SEBI 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’.

#### **5. PROVISIONS RELATING TO SUBSIDIARY COMPANY**

- i. At least one independent director on the Board of Directors of the BFML shall be a director on the Board of Directors of an unlisted material subsidiary company whether incorporated in India or not.
- ii. The Audit Committee of the BFML shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- iii. The minutes of the Board of Directors of the unlisted subsidiary company shall be placed at the Board meeting of the BFML.
- iv. The management of BFML shall periodically bring to the attention of the Board of Directors of the BFML, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
- v. Pursuant to Regulation 24 of the SEBI Listing Regulations, BFML shall not dispose of shares in its material subsidiary which would reduce BFML’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) 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. 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) 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.

vii. In the event subsidiary of BFML becomes listed subsidiary which itself is a holding company, then this policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

viii. The BFML and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.

## **6. DISCLOSURES**

The Company shall host the Policy on its website, i.e. [www.bagnetnetwork24.in](http://www.bagnetnetwork24.in) and a web-link thereto shall be provided in the Annual Report.

## **7. REVIEW AND AMENDMENTS**

Any notifications/circulars or other statutory guideline(s)/regulation(s) on the subject, that has the effect of amending the above said clause(s) of the SEBI Listing Agreement, shall automatically have the effect of amending this Policy statement without the need of any further approval by the Board of Directors.