



BRFL
Bombay Rayon Fashions Ltd.

BOMBAY RAYON FASHIONS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

➤ **Introduction:**

The Board of Directors (the “Board”) of Bombay Rayon Fashions Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

➤ **Purpose:**

To determine the Material Subsidiaries and Disclosure thereof, as required under clause 49 (V) (D) of the Listing Agreement (including any amendment thereof).

➤ **Definitions:**

The key terms of the Policy are defined herein under:

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 2013.

“**Board of Director**” or “**Board**” means the Board of Directors of Bombay Rayon Fashions Limited, as constituted from time to time.

“**Company**” means Bombay Rayon Fashions Limited.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Policy**” means this Policy for determining Material Subsidiaries.

“**Material Subsidiaries**” is a subsidiary in which:

- a. the investment of the Company exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- b. which has generated 20% of the consolidated income of the Company during the previous financial year.

“**Material Non-Listed Indian Subsidiary**” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“**Subsidiary**” shall be 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 Listing Agreement, Act, Rules & Regulations framed by the Securities Exchange Board of India or any other relevant legislation / regulation applicable to the Company.

➤ **Requirement regarding Material Subsidiary:**

The Company, without the prior approval of the members by Special Resolution, shall not:

- (i) dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- (ii) cease the exercise of control over the Subsidiary; or
- (iii) sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

Unless in cases where the divestment / sale / disposal / lease is made under a scheme of arrangement duly approved by a Court / Tribunal.

➤ **Requirement regarding Material Non-Listed Indian Subsidiary:**

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

➤ **Amendments:**

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

➤ **Scope and Limitation:**

In the event of any conflict between the provisions of this policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

➤ **Disclosures:**

The Policy for determining material subsidiaries is to be disclosed on the Company's website and a web link thereto to be provided in the Annual Report of the Company.

