

BF INVESTMENT

Policy on Determining “Material” Subsidiaries of BF Investment Limited

INTRODUCTION

The Board of Directors (the “Board”) of BF Investment Limited (the “Company”) has adopted the following Policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this Policy from time-to-time. While doing so, the Board shall take into consideration the recommendations, if any of the Audit Committee.

OBJECTIVE

This Policy is framed in accordance with requirement of revised Clause 49(V)(D) of the Listing Agreement (including any statutory enactments / amendments thereof) and is intended to identify Material Subsidiaries and to establish a governance framework for such Subsidiaries.

DEFINITIONS

- a. “**Act**” shall mean the Company Act, 2013 and the Company Act, 1956 (to the extent applicable and as amended from time-to-time).
- b. “**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 for the time being and the Companies Act, 2013 and rules framed thereunder (as amended from time-to-time).
- c. “**Board of Directors**” or “**Board**” means Board of Directors of BF Investment Limited, as constituted or re-constituted as the case may be from time-to-time.
- d. “**Independent Director**” shall have the meaning assigned to the term under the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, if applicable.
- e. “**Material Non-Listed Indian Subsidiary**” means an unlisted Subsidiary, incorporate in India, whose turnover or net worth (i.e., paid-up capital and free reserves) exceed 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- f. “**Material Subsidiary**” A Subsidiary shall be considered as material if the investment of The Company in the Subsidiary exceed 20% of its consolidated net worth as per the audited balance sheet of the previous financial year or if the Subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.
- g. “**Policy**” mean this Policy as amend from the time-to-time.

Correspondence Address:
Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar, Pune 411013.
Phone: +91-20-6629 2550/26



KALYANI
GROUP COMPANY

CIN:L65993PN2009PLC134021

BF INVESTMENT LIMITED, MUNDHWA, PUNE CANTONMENT, PUNE 411 036, MAHARASHTRA, INDIA

Phone : +91-20-26822552, 26702777 Fax : +91-20-26823061

Email : bfinvestment@vsnl.net

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- h. **“Significant Transaction or Agreement”** mean any individual transaction or arrangement that exceed or is likely to exceed 10% of the total revenues or the total expense or total assets or total liabilities, as the case may be, of the Material Non-Listed Indian Subsidiary for the immediately preceding accounting year.
- i. **“Subsidiary”** shall mean a subsidiary as defined under the Act the Rules made thereunder.

Any other Capitalized term used herein but not defined shall have the meaning assigned to such term under the Act, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

POLICY

A. REQUIREMENT REGARDING MATERIAL NON-LISTED INDIAN SUBSIDIARY

- a. At least one Independent Director on the Board of Directors of the Company shall be a director on the Board of Directors of a Material Non-Listed Indian Subsidiary Company.
- b. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the Material Non-Listed Indian Subsidiary Company.
- c. The minutes of the Board meetings of the Material Non-Listed Indian Subsidiary Company shall be placed at the Board meeting of the Company.
- d. The Group CFO shall present to the Audit Committee annually a list of Materials Subsidiaries. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Materials Non-Listed Indian Subsidiary Company.
- e. The Group CFO should periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions or Arrangements entered into by the Material Non-Listed Indian Subsidiary Company.

B. REQUIRMENT REGARDING MATERIALS SUBSIDIARY

Disposal of Materials Subsidiary

The Company shall not without passing a special resolution in it general meeting ;

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- a. Dispose shares in the Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b. Dispose shares in the Material Subsidiary which would cease the exercise control over such Subsidiary; or
- c. Sell, dispose or lease the assets amounting to more than 20% of the assets of the Materials Subsidiary on an aggregate basic during a financial year.

Unless in case where the divestment / sale / disposal / lease is made under a scheme of arrangement duly approved by a Court or Tribunal as the case may be.

C. DISCLOSURES

The Company shall disclosure the Policy on the Company's website and web link thereto shall be provided in the annual report.

D. SCORE AND LAMITATION

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

E. AMENDMENT AND UPDATATIONS

The Board shall review periodically this Policy and shall also have to power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. The Board may also establish further rules and procedures, from time-to-time, to give effect to the intent of the Policy and further the objective of good corporate governance.

For **BF INVESTMENT LIMITED**

Sd/-
A.B. KALYANI
DIRECTOR

Date : March 31, 2015
Place : Pune

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