



Shemaroo Entertainment Limited

Policy for Determining ‘Material Subsidiaries’

(Pursuant to Regulation 16(1) (c) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015)

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1. PREAMBLE:

This policy is prepared in accordance with the requirements of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“Listing Regulations”). The Board of Directors (the “Board”) of Shemaroo Entertainment Limited (the “Company”) has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes process of Determination of Material Subsidiary (“Policy”) in compliance with the regulatory requirements.

The purpose of this policy is to ascertain Material Subsidiaries of the Company and to provide governance framework for such subsidiaries of the Company.

2. DEFINITIONS:

- a. “**Act**” means the Companies Act, 2013 and the rules framed there-under, including any statutory modifications or re-enactment thereof.
- b. “**Audit Committee or Committee**” means the Committee of Board constituted from time to time as per Listing Regulations and Section 177 of the Companies Act, 2013 and as amended from time to time.
- c. “**Holding Company**” is as defined under clause 2(46) of the Act;
- d. “**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under section 149 of Companies Act, 2013 and Listing Regulations.
- e. “**Listing Regulations**” means SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015
- f. “**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- g. “**Significant Transaction or Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.
- h. “**Subsidiary Company**” is as defined under clause 2(87) of the Act;

3. GOVERNANCE FRAMEWORK:

- ✓ At least one independent director on the Board of Directors of the listed entity shall be a director on the Board of Directors of an unlisted material subsidiary, incorporated in India and outside India.

- ✓ The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company.
- ✓ The minutes of the meetings of the Board of Directors of the unlisted subsidiary company shall be placed at the meeting of the Board of Directors of listed holding company.
- ✓ The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

4. DEALING RELATING TO MATERIAL SUBSIDIARIES:

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

- a. Dispose the shares held in its material subsidiary company which would reduce its shareholdings (either on its own or together with one or more of its subsidiaries) to less than 50% or cease the exercise of control over the subsidiary except in case where such divestment is made under scheme of arrangement duly approved by a Court/ Tribunal;
- OR
- b. Sell, dispose or lease the assets of amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year except in case where such sale, disposal or lease is made under scheme of arrangement duly approved by a Court/ Tribunal.

5. RESPONSIBILITY:

The Chief Financial Officer will be responsible to maintain an updated database of information pertaining to Material Subsidiaries. The database will be updated and reviewed at least once a year jointly by the Chief Financial Officer and Executive Director. The list of Material Subsidiaries shall be approved by the Board.

6. DISCLOSURE:

This policy shall be uploaded on the website of the Company at www.shemarooent.com and a web link thereto shall be provided in the Annual Report of the Company.

7. GENERAL:

- a. The Audit Committee and Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

- b. In case of any inconsistency between any of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 / the Companies Act, 2013 and this Code or in case of any omission of any of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 / the Companies Act, 2013 in this Code, the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 / the Companies Act, 2013, as amended shall prevail or be applicable, as the case may be.
- c. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.
