

MEDIA MATRIX WORLDWIDE LIMITED

POLICY ON MATERIAL SUBSIDIARIES

(Amended on 29.05.2019)

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POLICY ON MATERIAL SUBSIDIARIES

Legal Framework

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 require the Company to formulate a policy for determining "material subsidiary" and the Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 extends certain principle of corporate governance to Material Subsidiary(ies) of listed companies.

DEFINITIONS:

"**Act**" means Companies Act, 2013 & rules and any amendment(s) or modification(s) or circular(s) or notification(s) thereof made thereunder.

"**Audit Committee**" means the committee formed under Section 177 of the Companies Act, 2013 and/or under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015..

"**Board of Directors**" or "**Board**" means the Board of Directors of Media Matrix Worldwide Limited as constituted from time to time.

"**Company**" means a company incorporated under the Companies Act, 2013 or any other previous company law.

"**Holding Company**" means pursuant to Section 2(46) of the Act, Holding Company, in relation to one or more other companies, means a company of which such companies are Subsidiaries Companies.

Explanation: For the purposes of this clause, the expression "company" includes anybody corporate.

"**Policy**" means Policy on Material Subsidiary.

"**Material Subsidiary**" shall mean a Subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of listed entity and its Subsidiaries in the immediately preceding accounting years.

"**Significant Transaction or Arrangement**" means 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 material unlisted subsidiary for the immediately preceding accounting year.

"**Subsidiary**" Pursuant to Section 2(87) of the Act: Subsidiary or Subsidiaries in relation to any other company (that is to say the Holding Company), mean a company in which the Holding Company.

i. Controls the composition of the Board of Directors

The term "**control**" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

ii. Exercise or controls more than one half of the total voting power either at its own or together with one or more of its Subsidiary Companies:

Provided that such class or classes of Holding Companies as may be prescribed shall not have layers of Subsidiaries beyond such numbers as may be prescribed.

Explanation: For the purpose of this definition:

- a. A company shall be deemed to be a Subsidiary Company of the Holding Company even if the control referred to in clause (i) or (ii) above is of another Subsidiary Company of the Holding Company;
- b. The composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- c. The expression "company" includes body corporate;
- d. "layer" in relation to a Holding Company means its Subsidiary or Subsidiaries.

"Regulations" mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment(s) or modification(s) or circular(s) or notification(s) thereof made thereunder.

GUIDING PRINCIPLES

"Material Subsidiary" of the Company would be identified, if any, as one time exercise and such exercise shall be done during each financial year and the conclusion placed before the Audit Committee and the Board of the Company. The identification shall be exercised soon after preparation of annual accounts and the outcome shall be placed before the Audit Committee or Board, as the case may be, in the meeting where the Annual Audited Accounts of the Company are considered.

Provisions with regard to Material Subsidiary

- At least one independent director on the Board of Directors of the Holding Company shall be a director on the Board of Directors of a unlisted **Material Subsidiary**, incorporated in India or not
- The Audit Committee of the Board 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 shall be placed before the Board of the Company.
- The management shall periodically bring to the attention of the Board of Directors of

the Company, a statement of all Significant Transactions and Arrangements entered into by the material unlisted subsidiary company.

- Subsidiary company shall not either by its own or through its nominees, holds any shares in its holding company and no holding company shall allot or transfer its shares to any of its subsidiary companies. Nothing contained in this clause shall apply in the following circumstances:
 - i) Where the subsidiary company holds such shares as the legal representative of a deceased member of the holding company; or
 - ii) Where the subsidiary company holds such shares as a trustee; or
 - iii) Where the subsidiary company is a shareholder even before it became a subsidiary company of the holding company.
- The Company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- The Company shall not sell, dispose of or lease the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year except in cases where such sale, disposal, lease as the case may be is made under a scheme of arrangement duly approved by the Court/Tribunal.
- The Company shall include particulars of its subsidiary companies in its annual filing.
- The Board of Directors of the listed Holding Company should quarterly review the statement of all significant transactions and arrangements entered into by the **unlisted Subsidiary Company**. 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 the immediately preceding accounting year.
- Every 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, in such form as may be specified with effect from the year ended March 31, 2019.

Disclosures

This Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

Amendments

The Board of Directors of the Company may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy.

DISCLAIMER

By reason of any change in the Act and/or Regulations which leads to any inconsistency or ambiguity or incongruity between the policy and the Act/Regulations, the amended Act/Regulations as issued by respective authorities shall prevail in this regard.