



Extraordinary Together

**ZEE ENTERTAINMENT ENTERPRISES LIMITED
POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

1. NAME AND SCOPE OF THE POLICY

- 1.1. This policy shall be called “Policy for determining Material Subsidiary” (“Policy”) framed in accordance with Regulation 16 (1) (c) read with Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time.
- 1.2. The objective of this Policy is to lay down criteria for determining material subsidiary and specify the compliance requirement in relation to the subsidiaries of the Company.

2. DEFINITIONS.

2.1 “**Company**” means Zee Entertainment Enterprises Limited

2.2 “**Material subsidiary**” means a subsidiary of the Company determined as a Material Subsidiary in accordance with Para 3 of the Policy.

2.3 “**Subsidiary**” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013

2.4 “**Significant transaction or arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the (i) total revenues or (ii) total expenses or (iii) total assets or (iv) total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

2.5 “**Audit Committee**” shall mean the Audit Committee of the Board of Directors or such other Committee as may be approved by the Board of Directors, from time to time, under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015.

2.6 “Board” refers to the Board of Directors of the Company.

3. DETERMINATION OF MATERIAL SUBSIDIARY. A subsidiary of the Company will be treated as a Material Subsidiary, if its income or net worth exceeds ¹**ten percent** of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3.2. The Company will, on or before June 30 of every year identify its Material Subsidiary.

4. CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARIES OF THE COMPANY.

4.1. In case of Unlisted Material Subsidiary:

- i. At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.

For the purposes of this clause, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- ii. The material unlisted subsidiary incorporated in India shall undertake Secretarial Audit and annex with its annual report, a Secretarial Audit Report, given by a company secretary in practice, in such form as may be specified by SEBI w.e.f. year ended March 31, 2019.

4.2. In case of Material Subsidiary (Listed and Unlisted):

- i. Any disposal of shares in its Material Subsidiary which would reduce the Company’s shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary will require a special resolution to be passed in the General Meeting of the Company except in case

¹ The change from Twenty percent to Ten percent to be effective from April 01, 2019.

where such divestment is made under a scheme of arrangements duly approved by 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.

- ii. Prior approval of shareholders of the Company will also be required, by way of special resolution, for selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year. However, such approval shall not be required in case the sale/disposal/lease is made under a scheme of arrangements duly approved by 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.

4.3. In case of Unlisted Subsidiary (material and non-material):

- i. The Audit Committee of the Company shall also review the financial statements, in particular the investments, made by the unlisted subsidiaries.
- ii. The management of the unlisted subsidiary company shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by such unlisted subsidiaries.
- iii. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meetings of the Board of the Company.

4.4. In case of Subsidiary (listed or unlisted)

The Audit Committee shall review the utilization of loans and/ or advances from/investment by the Company in the subsidiary company exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on April 1, 2019.

5. REVIEW OF THE POLICY.

This Policy is subject to updation/review, on account of any change in regulatory requirements or as may be required to do so from time to time. The Board shall review the policy annually or as and when required. Any revision in the Policy will be approved by the Board.

6. DISCLOSURE

The Policy shall be disclosed on the Company's website and a web-link thereto shall be provided in the Annual Report.