

POLICY ON MATERIAL SUBSIDIARIES

[Pursuant to Clause 16 (c) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

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1. INTRODUCTION:

In terms of Regulation 16 (1)(c) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (“SEBI Listing Regulations” or “SEBI LODR Regulation”), every listed company is required to formulate a policy for determining ‘Material’ Subsidiaries. This policy shall be disclosed on the Company’s website and a web link thereto shall be provided in the Annual Report of the Company.

Accordingly, the Board of Directors (the ‘Board’) of Saregama India Limited (the ‘Company’) has adopted this policy and procedures for determining Material Subsidiaries, in compliance with the SEBI Listing Regulations. The Board may review and amend this policy from time to time.

The Policy on Material Subsidiaries “**Policy**”) has been adopted by the Board of Directors of the Company at its meeting held on 25th January, 2019 which was effective from 1st April, 2019. This amended Policy is effective from 15th May, 2025.

2. OBJECTIVE:

To determine the material subsidiaries of Saregama India Limited, this policy is primarily intended to ensure effective governance and proper reporting of transactions between the Company and its subsidiary companies.

3. DEFINITION:

In this Policy unless the context otherwise requires:

(i) **“Act”** means Companies Act, 2013 & rules made there under.

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company from time to time under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act 2013.

(ii) **“Board of Directors”** or **“Board”** means the Board of Directors of Saregama India Limited as constituted from time to time.

(iii) **“Company”** means Saregama India Limited.

“Independent Director” means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who

satisfies other criteria for independence as laid down under Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 16 (1) (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

“Policy” means this Policy on Material Subsidiaries and as maybe amended from time to time.

“Material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“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.

“Subsidiary” means a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and rules related thereto.

Unless the context otherwise requires words and expressions used in this policy and not defined herein but defined in the Act or SEBI Listing Regulations, as maybe amended from time to time, shall have the meaning respectively assigned to them.

4. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY:

A subsidiary shall be considered as a Material Subsidiary, if any of the following conditions are satisfied:

- (i) If the turnover of the Subsidiary Company exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year; or
- (ii) If the net worth of the Subsidiary Company exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

5. PROVISION WITH REGARD TO SUBSIDIARY COMPANIES:

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, whether incorporated in India or not.

For the purpose of this clause, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or

net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Audit Committee of 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 at the meeting of the board of directors of the listed entity.

The management of the unlisted subsidiary shall on a quarterly basis bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Every Material Unlisted Subsidiary incorporated in India shall undertake secretarial audit as referred under Section 204 of the Act by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the secretarial audit report shall be annexed with the Annual Report of the Company.

Explanation:

- (i) "Secretarial Auditor" means a Company Secretary in Practice or a firm of Company Secretary(ies) in practice appointed to conduct the Secretarial Audit.
- (ii) "Peer Reviewed Company Secretary" means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India.

Material Subsidiary shall ensure compliance with the conditions while appointing/re-appointing an Auditor as mentioned in SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/0155.

6. DISPOSAL OF MATERIAL SUBSIDIARY

The Company, without the prior approval of the Members by way of Special Resolution in it's General Meeting shall not:

- a) dispose shares held by the Company in it's Material Subsidiary resulting in reduction of it's shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%; or
- b) cease the exercise of control over the subsidiary; or
- c) 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.

The provision of above clause shall not be applicable in cases where such divestment, sale, disposal, lease as the case maybe, is made under a scheme of arrangement duly approved by a 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.

7. DISCLOSURES:

As prescribed under Regulation 46(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this policy shall be disclosed on the Company's website www.saregama.com and a weblink thereto shall be provided in the Annual Report of the Company.

8. POLICY REVIEW

This Policy shall be reviewed by Audit Committee and Board as and when required. The Board can also amend the Policy from time to time in accordance with requirements of, and to ensure compliance with, the provisions of SEBI Listing Regulations.

NOTE: Where a listed holding Company has a listed subsidiary which is itself a holding Company, the above provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.