

**POLICY FOR DETERMINING MATERIAL**  
**SUBSIDIARIES**

**IRIS MEDIAWORKS LIMITED**

## **POLICY ON DETERMINING MATERIAL SUBSIDIARY**

### **1. Introduction:**

The Board of Directors (The “Board”) of Iris Mediaworks 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.

This Policy will be applicable to the Company in terms of Clause 49 of Listing Agreement.

### **2. Name of the Policy:**

The policy shall be known as “Policy for determining Material Subsidiary.”

### **3. Policy Objective:**

To determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

### **4. DEFINITIONS:**

“**Board of Directors**” or “**Board**” means the Board of Directors of Iris Mediaworks Limited, as constituted from time to time.

“**Company**” means Iris Mediaworks Limited.

“**Policy**” means this Policy, as amended from time to time.

“**Subsidiary**” shall mean a subsidiary as defined under the Act and Rules made thereunder.

“**Material Non Listed Indian Subsidiary**” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20 per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding financial year.

**“Audit Committee”** means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of the Companies Act, 2013.

**“Significant Transactions and Arrangements”** shall mean any individual transaction or arrangement that exceeds or likely to exceed 10% of the revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

## **5. Policy:**

- i. A subsidiary shall be considered **Material** if any of the following conditions are satisfied:
  - the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
  - the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.
- ii. One Independent Director of the Company shall be a director on the Board of the material non-listed Indian subsidiary company.
- iii. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by all the unlisted subsidiary companies on quarterly basis.
- iv. The minutes of the Board Meetings of all the unlisted subsidiary companies shall be placed before the Board of the Company on quarterly basis.
- v. The management shall on quarterly basis bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by all the unlisted subsidiary companies.

## **6. Restriction On Disposal:**

The Company shall not:

- I. dispose of the shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where divestment is made under a scheme or arrangement duly approved by a Court/Tribunal.

- II. sell, dispose off and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of the shareholders by way of special resolution, unless the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

**7. Disclosures:**

The Policy for determining material subsidiaries shall be disclosed on the Company's website [www.irismediaworks.net](http://www.irismediaworks.net) and a web link thereto shall be provided in the Annual Report.

**8. Policy Review:**

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications.