



Sea TV Network Ltd.

SEA TV NETWORK LIMITED

(Incorporated in 2004)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Regd. Office: 148, Manas Nagar, Shahganj, Agra-282010, U.P.

Tel No: (0562) 4036666, 2512122 Fax: (0562)-2511070

Websites: www.seatvnetwork.com

Corporate Identity Number (CIN) – L92132UP2004PLC028650

Policy for Determining Material Subsidiaries

I) Purpose

The Policy for determining ‘Material Subsidiary Companies’ has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Regulations”).

The Purpose of this Policy is to determine the “material subsidiaries” of the Company and to provide a governance framework for such material subsidiaries.

Accordingly, the Board of Directors of “Sea TV Network Limited” is obliged to formulate a Policy for determining the “material subsidiaries” which is framed as under –

II) Definitions

1. “Act”

Act means Companies Act, 2013 & rules made there under.

2. “Company”

Company means **Sea TV Network Limited**.

3. “Board”

Board means the Board of Directors of the Company.

4. “Independent Director”

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 the Companies Act, 2013 and the Listing Agreement with the Stock Exchange.

5. “Audit Committee”

Audit Committee means the Audit Committee of the Board constituted from time to time under the Regulation 18 of SEBI (LODR) Regulations, 2015 with Stock Exchange and Section 177 of the Companies Act, 2013.

6. “Holding Company”

Holding company in relation to one or more other companies, means a company of which such companies are subsidiary companies.

7. “Subsidiary Company”

Subsidiary company or subsidiary in relation to any other company (that is to say the holding Company), means a company in which the holding company-

- i. Controls¹ the composition of the Board of Directors; or
- ii. Exercises or controls more than one half of the total share capital either at its own or together with one or more of its subsidiary companies;

¹ 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 {Companies [Specifications of definitions details] Rules 2014}

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
- c) 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;
- d) The expression "company" includes any body corporate.

8. "Material Non-Listed Indian Subsidiary"

Material Non-listed Indian Subsidiary shall mean a subsidiary which is incorporated in India and which is not listed on the Indian Stock Exchanges and whose:

- a) net worth (i.e. paid up Capital & free reserves) exceeds 20% of the consolidated net worth of the listed
- b) holding company & its subsidiaries as per the audited Balance sheet of the previous Financial Year; or
- c) income exceeds 20% of the consolidated income of the listed holding company & its subsidiaries as per the audited Balance sheet of the previous Financial Year.

9. "Material Subsidiary"

"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.

10. "Significant Transaction or Arrangement"

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 material subsidiary for the immediately preceding accounting year.

III) Governance framework

1. At least one Independent Director of the Company shall be Director on the Board of the Material non-listed Indian Subsidiary Company.
2. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company, on an annual basis.
3. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed before the Board of the Company on periodical basis.
4. The management of the Company 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 unlisted Subsidiary.
5. Disposal of Material Subsidiary / Transfer of Assets of a Material Subsidiary: The Company shall not-

- a) dispose of shares 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 General Meeting, except in cases where such Divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

- b) sell, dispose off and lease assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of Special Resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

IV) Review / Amendment

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new policy, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

V) Dissemination of policy

As prescribed under regulation 46 2(h) of SEBI (LODR) Regulations, 2015, this Policy shall be disclosed in the Company's Website of the company

FOR SEA TV NETWORK LIMITED

Neeraj Jain
(Chairman and Managing Director)