

**PADMALAYA TELEFILMS LIMITED**

CIN: L92111TG1991PLC013222

**Corporate & Regd. Office:** H.No.8-3-222/1/23, Madhuranagar  
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**POLICY OM MATERIAL SUBSIDIARY**

**AMENDED ON 30<sup>TH</sup> MAY, 2016**

## **PADMALAYA TELEFILMS LIMITED**

This policy has been framed by the Company pursuant to Regulation 16 (c) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to ensure compliance with the applicable provisions of the Listing Regulations and will come into effect from .....(Date)

### **DEFINITIONS:**

- i. "Act" means Companies Act, 2013 including any statutory modification or re-enactment thereof;
- ii. "Subsidiary Company" is as defined under clause 2(87) of the Act;
- iii. "Holding Company" is as defined under clause 2(46) of the Act;
- iv. The term "material non-listed Indian Subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (paid-up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding Company and its subsidiary in the immediately preceding financial year;
- v. The term "Significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceeds 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 immediate preceding financial year.

### **IMPLEMENTATION AND APPROVAL PROCESS:**

Pursuant to Regulation 24 of SEBI (Listing Obligation and Disclosure Requirements) the Company shall not:

- i. Dispose of 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 case where such divestment is made under a scheme of arrangement duly approved by a Court/ Tribunal)
- ii. Prior approval of Shareholders by way of special resolution will be obtained for sale, disposal of and leasing of assets amounting to more than 20% of the assets of the material subsidiary on aggregate basis during the financial year (except in case where such sale/disposal/lease is made under a scheme of arrangement duly approved by the Court/tribunal)

### **GOVERNANCE FRAMEWORK:**

- i. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- ii. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.

- iii. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and Agreements entered into by the unlisted subsidiary company.
- iv. One Independent Director of the Company shall be a director on the Board of the Material Non-listed Indian Subsidiary Company.

**DISCLOSURES:**

The policy for determining material subsidiaries is displayed on the Company's website at [www.padmalyatelefilms.com](http://www.padmalyatelefilms.com).

**AMENDMENTS:**

The company reserves the right to amend or modify this policy in whole or in part, at any point of time.