



MATERIAL SUBSIDIARY POLICY

1. Preamble:

In terms of Regulation 16(1)(c) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company is required to formulate a policy for determining ‘material’ subsidiaries. In compliance with the said requirement, the Board of Directors of Imagicaaworld Entertainment Limited (*formerly known as Adlabs Entertainment Limited*) has adopted the following policy and procedure with regard to determination of and matters relating to 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 effective April 1, 2019.

2. Objective:

This policy is intended to ensure that Board of Directors of Company have sufficient knowledge and periodic updates of the business and operations of its Subsidiaries.

3. Definitions:

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

“**Board of Director**” or “**Board**” means the Board of Directors of a Company, as constituted from time to time.

“**Company**” means Imagicaaworld Entertainment Limited (formerly known as Adlabs Entertainment Limited).

“**Control**” shall have the same meaning as assigned to the term under the Regulation 2(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Independent Director**” shall have the meaning as ascribed to the term under the sub regulation 1(b) of Regulation 16(1)(b) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Imagicaaworld Entertainment Limited

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Corporate Identity Number (CIN): L92490MH2010PLC199925 • Website: www.imagicaaworld.com • Email: contactus@imagicaaworld.com



“Material Subsidiary” shall have the meaning as stated in paragraph 4 of this policy.

“Net Worth” means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.

“Policy” means this policy for determining Material Subsidiaries.

“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(ies)” shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

“Unlisted Material Subsidiary” means a Material Subsidiary whose equity shares are not listed on any recognized stock exchange in India.

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4. Policy for testing and determination of Material Subsidiary

Test of Material Subsidiary

In terms of Regulation 16(1)(c) the Listing Regulations, 2015, a Subsidiary of the Company shall be considered as a ‘Material Subsidiary’, if the income or Net Worth of the Subsidiary exceeds 10% of Company’s consolidated income or Net Worth respectively as per the audited financial statements of the immediately preceding financial year.

5. Provisions applicable to Unlisted Material Subsidiary

At least one Independent Director of the Company shall be a director on the Board of an Unlisted Material Subsidiary whether incorporated in india or not.

(For the purposes of this provision, notwithstanding anything to the contrary contained in paragraph 4, 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)

6. Provisions applicable to all Material Subsidiaries, including Unlisted Material Subsidiary

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The Board, without the prior approval of the members by special resolution, shall not:

- (i) dispose of shares in a Material Subsidiary that reduces the Company's shareholding (either on its own or together with other Subsidiaries) to less than 50% or ceases the exercise of Control over the Material Subsidiary; or
- (ii) sell, dispose or lease out the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year.

Approval of members shall not be required for cases stated in paragraph 6(i) and 6(ii), if such divestment/ sale, disposal or lease is made under a scheme of arrangement duly approved by a court/tribunal.

7. Additional provisions applicable in respect of all Unlisted Subsidiaries, including Material Subsidiaries

- (i) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary(ies).
- (ii) The minutes of the meetings of the Board of all Unlisted Subsidiaries shall be placed before the Board meeting of the Company.
- (iii) It shall be periodically brought to the notice of the Board of the Company, a statement of all Significant Transaction or Arrangement entered into by the Unlisted Subsidiary/ies.
- (iv) **The Unlisted Material Subsidiary(ies) shall undertake Secretarial Audit and shall annex with its annual report, a Secretarial Audit Report given by a company secretary in practice, in such form as may be specified with effect from the year ended March 31, 2019.**

8. Amendments:

This Policy may be amended by the board at any time and is subject to the (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines and enactments by the SEBI.

9. Disclosures

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

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