

UFO MOVIEZ INDIA LIMITED

(CIN:U22120DL2004PLC164728)

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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1) Introduction:

The Board of Directors of UFO Moviez India Limited (“**Board**”) has adopted the following policy and procedure with regard to determination of material Subsidiaries.

2) Title:

This Policy shall be called ‘Policy for determining material Subsidiaries’.

3) Objective:

The objective of this Policy is to determine material Subsidiaries of the Company and to provide a governance framework for such material Subsidiaries. This Policy is framed in accordance with the requirements of Clause 49 of the Listing Agreement, as amended from time to time.

4) Definitions:

- a) “**Board of Directors**” or “**Board**” means the board of directors of UFO Moviez India Limited, as constituted from time to time.
- b) “**Companies Act, 2013**” means the Companies Act, 2013 and the rules thereunder, as amended.
- c) “**Company**” means UFO Moviez India Limited.
- d) “**Independent Director**” means a director of the Company, not being a managing director or a whole-time director or a nominee director and who is neither a promoter of the Company or its holding, Subsidiary or associate company, nor related to the promoters or directors of the Company, its holding, Subsidiary or associate company and who satisfies the criteria for independence under the Companies Act, 2013 and the Listing Agreement.
- e) “**Listing Agreement**” means the listing agreement entered into/to be entered into by the Company with the stock exchanges, as amended.
- f) “**Policy**” means this Policy, as amended from time to time.

- g) “**Significant Transaction or Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten per cent (10%) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of a Material Non-Listed Indian Subsidiary for the immediately preceding accounting year.
- h) “**Subsidiary**” shall mean a subsidiary of the Company, as defined under the Companies Act, 2013.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

5) **Policy:**

A Subsidiary shall be considered as material, if-

- a) the investment of the Company in the Subsidiary exceeds twenty per cent (20%) of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- b) the Subsidiary has generated twenty per cent (20%) of the consolidated income of the Company during the previous financial year.

A Material Non-Listed Indian Subsidiary shall mean a Subsidiary which is incorporated in India and is not listed on any Indian Stock Exchange and whose:

- a) net worth (i.e., paid up capital and free reserves) exceeds twenty percent (20%) of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year; or
- b) income exceeds twenty percent (20%) of the consolidated income of the Company as per the audited balance sheet of the previous financial year.

A list of such material Subsidiaries and Material Non-Listed Indian Subsidiaries shall be presented to the Audit and Risk Management Committee of the Company annually for its noting.

6) **Requirement regarding material Subsidiary:** The Company, without passing a special resolution in its general meeting, shall not:-

- a) dispose shares in a material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than fifty percent (50%); or
- b) cease the exercise of control over a material Subsidiary; or

- c) sell, dispose or lease the assets amounting to more than twenty percent (20%) of the assets of a material Subsidiary on an aggregate basis during a financial year,

unless the divestment / sale / disposal / lease is made under a scheme of arrangement duly approved by a Court / Tribunal.

7) Requirement regarding Material Non-Listed Indian Subsidiary:

- At least one Independent Director on the Board of the Company shall be a Director on the Board of each Material Non-Listed Indian Subsidiary.
- The Audit and Risk Management Committee of the Company shall review the financial statements, and in particular, the investments made by each Material Non-Listed Indian Subsidiary.
- The minutes of the Board meetings of the Material Non-Listed Indian Subsidiary shall be placed before the Board meeting of the Company.
- The management should periodically bring to the attention of the Board of the Company a statement of all Significant Transactions or Arrangements entered into by each Material Non-Listed Indian Subsidiary.

8) Amendments:

The Board of the Company may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this Policy entirely with a new policy. 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.

9) Scope and limitation:

In the event of any conflict between the provisions of this Policy and the Listing Agreement / the Companies Act, 2013 or any other statutory enactments or rules, the provisions of the Listing Agreement / the Companies Act, 2013 or statutory enactments or rules shall prevail over this Policy.

10) Dissemination of Policy:

This Policy shall be hosted on the website of the Company and a web link thereto shall be provided in the annual report of the Company.
