

**UFO MOVIEZ INDIA LIMITED**

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CIN: L22120MH2004PLC285453

<b>Name of Policy</b>	<b>POLICY FOR DETERMINING MATERIAL SUBSIDIARIES</b>
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**Document History:**

Date of Board Approval	Effective Date	Summary
30 <sup>th</sup> March, 2015	14 <sup>th</sup> May, 2015	The first policy for determining material subsidiaries adopted by the Board.
29 <sup>th</sup> March, 2019	1 <sup>st</sup> April, 2019	<p>The Securities and Exchange Board of India has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.</p> <p>As per amended regulations, “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds “<i>ten percent</i>” of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Accordingly, the policy is amended.</p>

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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 the Listing Agreement / Listing Regulations, 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 / Listing Regulations.
- e) “**Listing Agreement**” means the listing agreement entered into/to be entered into by the Company with the stock exchanges, as amended.
- f) “**Listing Regulations**” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- g) “**Policy**” means this Policy, as amended from time to time.

- h) **“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 an unlisted Subsidiary for the immediately preceding accounting year.
- i) **“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 / Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

## 5) Policy:

A Subsidiary shall be considered as (**“Material Subsidiary”**), if such Subsidiary’s income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

A list of such Material Subsidiaries and unlisted Subsidiaries shall be presented to the Audit and Risk Management Committee of the Company annually for its noting.

## 6) Requirements regarding Material Subsidiary:

- a) The Company, without passing a special resolution in its general meeting, shall not:-
  - i. 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%);
  - ii. cease the exercise of control over a Material Subsidiary; or
  - iii. 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.
- b) Every unlisted Material Subsidiary of the Company incorporated in India 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.
- c) For unlisted Material Subsidiaries of the Company, at least one independent director on the Board of Directors of the Company shall be a director on the board of directors of such unlisted Material Subsidiary, whether incorporated in India or not.

Provided that for the purposes of this provision i.e. (clause c), notwithstanding anything to the contrary contained in Regulation 16 of the Listing Regulations or paragraph 5 above, 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 Company and its Subsidiaries in the immediately preceding accounting year.

**7) Requirement regarding Unlisted Subsidiary:**

The Audit and Risk Management Committee of the Company shall review the financial statements, and in particular, the investments made by each unlisted Subsidiary.

The minutes of the Board meetings of the unlisted 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 unlisted 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 Subsidiaries.

**9) Scope and limitation:**

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

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