



'A part of your daily life'

UFLEX LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION & PURPOSE

Uflex Limited (“UFLEX” or “COMPANY”) is governed amongst others by the rules and regulations framed by Securities Exchange of India (“SEBI”). The Board of Directors have to adopt the policy determining ‘Material Subsidiary Company’ in terms of amended Clause 49(V)(D) of the Listing Agreement. The Policy will be used to determine the Material Subsidiaries and Material Non-Listed Indian Subsidiary of the Company and to provide governance framework for such subsidiaries. The Policy shall be called as ‘Policy for Determining Material Subsidiaries’.

DEFINITIONS

“Board of Directors” or **“Board”** means the Board of Directors of UFLEX Limited, as constituted from time to time.

“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 Exchanges.

“Policy” means this Policy, as amended from time to time.

"Subsidiary" shall mean a subsidiary as defined under the Act and Rules made thereunder.

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.

“Material Subsidiary” shall be considered as **Material** if:

- the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or

- the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.

Material Non Listed Indian Subsidiary shall mean a unlisted Subsidiary which is incorporated in India and whose:

- net worth exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year; or
- income exceeds 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

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

In addition to the above at least one Independent Director on the Board of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company.

AMENDMENTS

The policy shall be modified to the extent provisions of Clause 49 (V)(D) are amended/ modified from time to time.

SCOPE AND LIMITATION

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