



Growth, Wealth, Success

U. Y. Fincorp Limited

(Formerly Known as Golden Goenka Fincorp Limited)

POLICY ON MATERIAL SUBSIDIARIES

This **"U. Y. - Policy on Material Subsidiaries"** has been adopted by the Board of Directors of the Company at its meeting held on 28th March, 2019 and supersedes the earlier policy approved by the Board of Directors at their meeting held on 12th November, 2014.

1. PURPOSE AND SCOPE

The Board of Directors (the "Board") of U. Y. Fincorp Limited (Formerly known as Golden Goenka Fincorp Limited) (the "Company" / "UYFL") has adopted the following policy and procedures for determining 'material' subsidiary companies. The Policy has been framed in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and effective from December 2, 2015.

The Policy will be used to determine the Material Subsidiaries of UYFL and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued there under, as amended, from time to time.

2. DEFINITIONS

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

and the Companies Act, 2013.

"Board of Director" or "Board" means the Board of Directors of U. Y. Fincorp Limited, as constituted from time to time.

"Company" means a company incorporated under the Companies Act, 2013 or under any previous company law.



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“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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Policy” means Policy on Material Subsidiaries.

“Material Non Listed Indian Subsidiary” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian stock exchanges.

“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 material unlisted subsidiary for the immediately preceding accounting year.

“Subsidiary” shall be as defined under the Companies Act, 2013 and the Rules made there under.

3. POLICY

i. A subsidiary shall be a **Material Subsidiary**, if any of the following conditions are satisfied:

- a) in which the investment of the Company exceeds twenty percent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- b) which have generated twenty percent of the consolidated income of the Company during the previous financial year.

ii. One **Independent Director** of the Company shall be a director on the Board of the material non-listed Indian subsidiary company.

“Material non-listed Indian subsidiary shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds twenty percent of the consolidated income or net worth respectively of the listed holding and its subsidiaries Company in the immediately preceding accounting year.”

iii. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by all the unlisted subsidiary companies.

iv. The minutes of the Board Meetings of all the unlisted subsidiary companies shall be placed before the Board of the Company.



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- v. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by all the unlisted subsidiary companies.
- vi. The management shall present to the Audit Committee the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

4. DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not without passing a special resolution in its general meeting:

- dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than fifty percent ; or
- ceases the exercise of control over the subsidiary; or
- sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary.

Provided that no such prior approval of shareholders by way of special resolution in general meeting will be required if the sale, disposal, lease is made pursuant to a scheme of arrangement duly approved by a Court/Tribunal.

5. DISSEMINATION

Pursuant to Listing Regulations, this Policy and any amendment thereto shall be posted on the website of the Company and a web link thereto shall be provided in the Annual Report.

Date: 28.03.2019

Place: Kolkata

By order of Board

**Sd/-
(Udai Kothari)
Chairman**