

## **KAMDHENU LIMITED**

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

#### **1. Purpose and Scope:**

The Policy for determining ‘material’ subsidiary companies has been framed in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

The Policy will be used to determine the Material Subsidiaries of the Company 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 LODR and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

#### **2. Identification of ‘Material’ subsidiary:**

“**Material subsidiary**” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

#### **3. Governance framework:**

- i. At least one Independent Director on the Board of Directors of the holding Company shall be a Director on the Board of Directors of a material unlisted subsidiary Company.

Provided that for the purpose of clause 3 i. above, “**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.

- ii. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- iii. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- iv. 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 the unlisted subsidiary Company.

- v. Material Unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and Secretarial Audit Report given by Practicing Company Secretary shall be annexed with the Annual Report of the Company.

#### **4. Disposal of Material Subsidiary:**

The Company shall not:

- a. dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- b. sell, dispose off and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

#### **5. Disclosure**

This policy will be posted on the Company's website. The necessary disclosure about the policy will also be made as per requirements of LODR and Companies Act 2013.

#### **6. Policy Review**

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

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