



KESAR INDIA LIMITED

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POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Policy Approved on: April 7, 2022

1. FOREWORD

This **Policy for Determining Material Subsidiaries (“Policy”)** of **Kesar India Limited** (“the Company”) has been framed in accordance with Regulation 16(1)(c) and 46(2)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with amendments, if any, made thereunder.

This Policy outlines the manner in which the Company will identify its "material" subsidiary/ies and also prescribes certain governance framework which needs to be adhered to by the Company with respect to management of its material subsidiary.

This Policy for determining Material Subsidiary (“Policy”) of the Company has been prepared and adopted in accordance with the SEBI Listing Regulations.

This Policy has been adopted by the Board of Directors of the Company. Going forward, the Board will review and amend the Policy, as and when required.

2. STATUTORY REQUIREMENTS

The Policy is framed in accordance with the provisions of the SEBI Listing Regulations, Companies Act, 2013, and such other applicable provisions, rules, regulations and the Articles of Association of the Company, as amended from time to time.

3. DEFINITIONS

In this Policy, unless context otherwise requires:

- **“Act”** means Companies Act, 2013 including any statutory modification or reenactment thereof.
- **“Board of Director” or “Board”** means the Board of Directors of the Kesar India Limited, as constituted from time to time.
- **“Company”** means Kesar India Limited.
- **“Policy”** means this Policy for determining Material Subsidiaries and as may be amended from time to time.
- **“Subsidiary Company / Subsidiary”** means Subsidiary Company / Subsidiary as defined under Section 2(87) of the Act and the Rules made there under.
- **“Material Subsidiary”** shall mean a subsidiary whose turnover or net worth exceeds **10% of the consolidated turnover or net worth respectively**, of the Company and its subsidiaries in the immediately preceding accounting year.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and the SEBI Listing Regulations and the Rules, Notifications and Circulars made/issued thereunder, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

4. OBJECTIVE

The Policy has been framed with regard to determination of Material Subsidiaries to provide the governance framework for such subsidiaries in compliance with applicable laws, including SEBI Listing Regulations.

5. IDENTIFICATION OF MATERIAL SUBSIDIARY

A Subsidiary Company shall be considered **Material** if, the revenue/income or net worth of such subsidiary **exceeds 10% of the consolidated income or net worth respectively**, of the Company and its subsidiaries in the immediately preceding Accounting Year.

However, a subsidiary shall be considered as material for the purpose of clause 1 of regulation 24 of SEBI Listing Regulations, if its **turnover or net worth exceeds 20% of consolidated turnover or net worth respectively** of the Company and its subsidiaries in the immediately preceding accounting year (“specific material subsidiary”).

“**Material subsidiary**” and “**Specific material subsidiary**” of the Company would be identified, if any, as one-time exercise and such exercise shall be done during each financial year and the conclusion placed before the Audit committee and the Board of the Company. The identification shall be exercised soon after preparation of annual accounts and the outcome shall be placed before the audit committee or the Board, as the case may be, in the meeting where the Annual Audited accounts of the Company are considered.

6. REQUIREMENTS REGARDING MATERIAL SUBSIDIARY

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

- i. dispose shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%;
- ii. dispose shares in its material subsidiary which would cease the exercise of control over the subsidiary;
- iii. 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.

Nothing contained in sub-clause (iii) above shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

7. SPECIFIC REQUIREMENTS REGARDING SPECIFIC MATERIAL SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a Director on the Board of the specific unlisted material subsidiary company, whether incorporated in India or not.

8. SECRETARIAL AUDIT

Material unlisted subsidiaries incorporated in India shall undertake **Secretarial Audit** and annex the secretarial audit report with the annual report of the Company.

9. REQUIREMENTS REGARDING UNLISTED SUBSIDIARY

- i. The Audit Committee shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary of the Company.
- ii. The minutes of the Board meetings of the Unlisted Subsidiary Company shall be placed at the Board meeting of the Company.
- iii. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary Company.

10. REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.

11. DISCLOSURE AND AMENDMENT

This Policy shall be disclosed on the website of the Company and will be amended as and when necessary, as approved by the Audit Committee or the Board of Directors of the Company.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

12. LIMITATION AND AMENDMENT

In case any statutory/regulatory requirement pertaining to Material Subsidiary is inconsistent with the applicable laws, then the said Regulations shall prevail.

Subject to applicable laws, the Board of Directors of the Company may amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in this Policy will be resolved by the Board of Directors in line with the broad intent of this Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

The Policy was reviewed by the Board of Directors of the Company at its Meeting held on April 18, 2026
