



Policy for Determining Material Subsidiaries
of
Kaarya Facilities And Services Limited

Kaarya Facilities And Services Limited
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1. SCOPE AND PURPOSE OF THE POLICY

The policy for determining ‘material’ subsidiary companies has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”).

The Policy will be used to determine the Material Subsidiaries of Kaarya Facilities And Services Limited (“the Company”) and to provide the governance framework for such subsidiaries.

2. DEFINITIONS

- Subsidiary(s) shall mean subsidiaries of the Company as defined under the Companies Act, 2013 (“the Act”).
- 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.
- 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 of unlisted material subsidiary for immediately preceding accounting year.

Any other term not defined herein, shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities Contract Regulation Act 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 or any other applicable law(s) or regulation(s).

3. GOVERNANCE FRAMEWORK

- a. At least one Independent Director of the Company shall be a Director on the Board of unlisted material subsidiary, incorporated in India.
- b. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

Policy for Determining of Material Subsidiaries

- c. The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of the Company.
- d. The management of the material unlisted subsidiary company shall periodically bring to the attention of the Board, a statement of all significant transactions and arrangements entered into by the material unlisted subsidiary company.
- e. The Company shall not 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 such cases where divestment is under a scheme of arrangement duly approved by a Court/Tribunal.
- f. Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

4. REVIEW OF THE POLICY

This Policy may be amended by the Board from time to time to be in line with any amendments made to the Listing Regulations, the Act and such other guidelines issued by SEBI.

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