

KAYCEE INDUSTRIES LIMITED

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POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARY

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1. OBJECTIVE

The Board of Directors of Kaycee Industries Limited has adopted this policy to determine Material Subsidiaries.

2. GOVERNING LAWS AND GUIDELINES

This Policy is pursuant to Regulations 16 (1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. DEFINITIONS

- 3.1. **“Act”** means the Companies Act 2013 together with the Rules notified thereunder, including any statutory modifications or re-enactments thereof for the time being in force.
- 3.2. **“Board of Directors”** or **“Board”** means the Board of Directors of Kaycee Industries Limited, as constituted from time to time.
- 3.3. **“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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.4. **“Material Unlisted Indian Subsidiary”** shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- 3.5. **“Policy”** means this policy for determining Material Subsidiary
- 3.6. **“Subsidiary”** shall mean a subsidiary as defined under the Act and Rules made thereunder.
- 3.7. **“Significant transaction or arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total

expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

- 3.8. **“Unlisted Subsidiary”** means subsidiary whose securities are not listed on any recognized Stock Exchanges.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

4. **POLICY**

A subsidiary in relation to the Company shall be considered as “material”, if its income or net worth exceeds ten percentage of the consolidated income or net worth respectively of the Company in the immediately preceding accounting year.

5. **REQUIREMENTS RELATING TO MATERIAL SUBSIDIARY**

- 5.1. The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
- 5.2. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company at regular intervals.
- 5.3. The Board shall be provided periodically with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.
- 5.4. The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent 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, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

5.5. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require 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 or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

5.6. At least one independent director on the board of directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

6. DISCLOSURES

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Board's report.

7. REVIEW

This Policy shall be reviewed and amended as and when required by the Board.

8. AMENDMENTS

8.1. Any modification in the policy on account of change in prevailing regulations will be carried out immediately and will be informed to all concerns.

8.2. Any other modifications will be carried out only with the previous approval of Board or any other committee as authorized by the Board.

8.3. Any amendment to the Policy shall be made in writing

9. IMPLEMENTATION

The Policy shall be effective from the date of approval by the Board unless specified otherwise.

Note: At present the Company do not have any Material Subsidiary Company and the above policy is made in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.