

Kaya Limited

POLICY ON MATERIAL SUBSIDIARIES

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Version: 1.1
Version approved by: The Board of Directors of Kaya Limited
Effective Date: November 5, 2015

Version: 1.2
Version approved by: The Board of Directors of Kaya Limited
Effective Date: February 6, 2019

1. OBJECTIVE AND REGULATORY FRAMEWORK

- 1.1. The Policy on 'material' subsidiaries has been framed in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), including any statutory modification(s) or re-enactment(s) to any of the foregoing.
- 1.2. The Policy will be used to determine the Material Subsidiaries of Kaya Limited ("Kaya") and to provide the governance framework for such subsidiaries.
- 1.3. All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations 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. DEFINITIONS

- 2.1 "**Audit Committee**" means Audit Committee constituted by the Board of Directors of the Company, from time to time, under Section 177 of the Companies Act, 2013 and the Listing Regulations.
- 2.2 "**Board of Directors**" or "**Board**" means the Board of Directors of Kaya, as constituted from time to time.
- 2.3 "**Independent Director**" means a director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Regulations.
- 2.4 "**Policy**" means Policy on Material Subsidiaries.
- 2.5 "**Subsidiary**" shall mean a subsidiary as defined under the Companies Act, 2013.

3. POLICY

- 3.1. A Material Subsidiary shall mean a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- 3.2. The Company, without the prior approval of the members by special resolution or as may be prescribed in the Listing Regulations, shall not:
 - a. dispose shares in the Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than fifty percent; or
 - b. ceases the exercise of control over the Material Subsidiary; or

c. sell, dispose of or lease the assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year;

Except in cases where such divestment, sale, disposal, lease, as the case may be, is made under a scheme of arrangement duly approved by the Court / Tribunal.

3.3. At least one Independent Director on the Board of Directors of the Holding Company shall be a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.

For the purpose of Clause 3.3, Material Subsidiary shall mean a subsidiary whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

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

3.5. The Minutes of the meetings of the Board of Directors of the unlisted Subsidiary shall be placed before the Board of the Company.

3.6. 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.

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.

4. DISCLOSURES

4.1 The 'policy on material subsidiaries' shall be disclosed on the company's website & a web link thereto shall be provided in the Annual Report.

5. GENERAL

5.1 The Policy would be subject to revision/amendment in accordance with the applicable laws. The Company reserves the right to alter, modify, add, delete or amend any of the provisions of this Policy.