



# **KILBURN ENGINEERING LTD.**

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## **POLICY ON DETERMINING MATERIAL SUBSIDIARY**

### **INTRODUCTION**

The Board of Directors (the "Board") of Kilburn Engineering Ltd. (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time. The Policy will be applicable to the Company effective 1st April, 2024. This Policy is in terms of Regulations 16 of the SEBI (LODR) Regulations, 2015

### **TITLE**

This Policy shall be called 'Policy for determining material subsidiaries'.

### **OBJECTIVE**

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries. The Policy is framed in accordance with the requirements of the Regulations 16 of the SEBI (LODR) Regulations, 2015 (including any amendments thereof).

### **DEFINITIONS**

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of the SEBI (LODR) Regulations, 2015

"Board of Directors" or "Board" means the Board of Directors, as constituted from time to time.  
"Company" means Kilburn Engineering Limited

"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 SEBI (LODR) Regulations, 2015. "Policy" means this Policy, as amended from time to time.

"Subsidiary" shall mean a subsidiary as defined under the Act and Rules made thereunder.  
"Material Non Listed Indian Subsidiary" shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

"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 material unlisted subsidiary for the immediately preceding accounting year. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

### **POLICY:**

A subsidiary shall be considered as Material if –

- o the investment of the Company in the subsidiary exceeds ten per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- o the subsidiary has generated ten per cent of the consolidated income of the Company during

the previous financial year. Material Non Listed Indian Subsidiary shall mean a Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges and whose;

net worth exceeds 10% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year; or

o Income exceeds 10% of the consolidated income of the Company as per the audited balance sheet of the previous financial year. A list of such Material subsidiaries and Material Non Listed Indian Subsidiaries shall be presented to the Audit Committee annually for its noting. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.

The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of independent Director in the Material Non-Listed Indian Subsidiary.

#### REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without the prior approval of the members by Special Resolution, shall not:

o dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or

o ceases the exercise of control over the Subsidiary; or

o sell, dispose or lease the assets amounting to more than ten percent 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.

#### REQUIREMENT REGARDING MATERIAL NON-LISTED INDIAN SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on a yearly basis. The management shall on yearly basis bring to the attention of the Board of Directors of the Company, as statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

#### AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

#### SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement/Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement/Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

#### DISSEMINATION OF POLICY

This policy shall be hosted on the intra-net and website of the Company and a web link thereto shall be provided in the annual report of the Company. DISCLOSURES The Policy for determining material subsidiaries is to be disclosed to the Stock Exchanges and in the Annual Report of the Company, as per the provisions of laws in force. The policy shall also be uploaded on the website of the Company.