

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES OF KOTHARI PRODUCTS LIMITED**

### **1. PREAMBLE, SCOPE AND APPLICABILITY**

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In accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the Listing Regulations**”), as amended from time to time, the Company has formulated this policy for determining the material subsidiary(ies) of the Company.

### **2. PURPOSE**

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This Policy sets out the criteria for determining the material subsidiary(ies) of Kothari Products Limited (“**the Company**” or “**KPL**”).

### **3. POLICY**

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A subsidiary shall be considered as 'material subsidiary' if its income or net-worth exceeds **ten percent** of the consolidated income or net-worth respectively, of KPL and its subsidiaries in the immediately preceding accounting year.

At least one Independent Director on the Company’s Board shall be appointed on the Board of the unlisted material subsidiary, whether incorporated in India or not. For this purpose, as per the provisions of Regulation 24(1) of the Listing Regulations, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds **twenty percent** of the consolidated income or net worth respectively, of KPL and its subsidiaries in the immediately preceding accounting year.

### **4. COMMUNICATION AND DISSEMINATION OF THE POLICY**

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The web-link of the policy for determining ‘material’ subsidiaries shall be disclosed in the Corporate Governance Report forming part of the Annual Report.

### **5. AMENDMENTS**

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The Board of Directors of KPL may, subject to the applicable laws, amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace this policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.