

 KAMA Holdings	<u>POLICY ON MATERIAL SUBSIDIARY COMPANIES</u>	Date of issue : August 11, 2014 Effective Date: Immediate
--	---	--

Legislative background

As from 1st October, 2014, clause 49 of the Listing Agreement requires that every listed company shall formulate a policy for determining 'material' subsidiaries and such policy shall be disclosed to the stock exchanges and in the Annual Report of the company.

Definitions

Company : means KAMA Holdings Limited

Subsidiary : means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

Material subsidiary : A subsidiary shall be considered as a material subsidiary if the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.

Material non-listed Indian subsidiary : shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Control : means control as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Compliance with Listing Agreement

The Company shall not dispose off shares in a 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.

Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary shall require prior approval of shareholders of the Company by way of special resolution.

The Company shall ensure that at least one independent director on its Board of Directors shall be a director on the Board of Directors of a material non-listed Indian subsidiary company.