

KAMINI FINANCE AND INVESTMENT COMPANY LTD

Policy on Material Subsidiary

1. OBJECTIVE:

The objective of this policy is to lay down criteria for determination and dealing with material subsidiaries of Kamini Finance and Investment Company Limited ("the Company") in terms of Regulation 16(1)(c) and 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

2. POLICY:

2.1. A subsidiary shall be considered a material subsidiary, if its income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

2.2. 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. However, only for this purpose, material subsidiary shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

2.3. The Company, without the prior approval of the members by means of a special resolution, shall not:

- a) dispose of shares in its material subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b) cease the exercise of control over the material subsidiary; or
- c) sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

except in cases where such divestment or sale / disposal / lease respectively 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.

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- 2.4. The Company and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its annual report, a Secretarial Audit Report, given by a Company Secretary in practice, in such form as may be specified from time to time.
- 2.5. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.
- 2.6. Any subsequent modification / amendment to the Regulations shall automatically apply to this Policy.