

## **D S KULKARNI DEVELOPERS LIMITED**

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

#### **1. BACKGROUND:**

D S Kulkarni Developers Limited ("Company") has formulated this Policy for determining Material Subsidiaries (the "Policy") in accordance with Regulation 16 read with Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time to determine the material subsidiaries of the Company and to provide the corporate governance framework for subsidiaries.

#### **2. DEFINITIONS:**

- a) **"Act"** means the Companies Act, 2013.
- b) **"Audit Committee"** means a Committee of Board of Directors of the Company, constituted in accordance with provisions of the Act and Listing Regulations.
- c) **"Board or Board of Directors"** means the Board of Directors of the Company.
- d) **"Company"** means D S Kulkarni Developers Limited.
- e) **"Independent Director"** means a Director as defined under the Act and Listing Regulations.
- f) **"Material Subsidiary"** means a subsidiary of the Company, 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.
- g) **"Significant Transaction or Arrangement"** means any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.
- h) **"Subsidiary"** means a subsidiary as defined under the Act and the rules made thereunder.

Terms that have not been defined in this policy shall have the same meaning as assigned to them in the Act and/or Listing Regulations and/or the rules and regulations made thereunder.

#### **3. INDEPENDENT DIRECTOR ON THE BOARD OF UNLISTED MATERIAL SUBSIDIARY:**

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.

For the purposes of this provision, notwithstanding anything to the contrary, 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 the Company and its subsidiaries in the immediately preceding accounting year.

#### **4. DISPOSAL OF SHARES IN MATERIAL SUBSIDIARY:**

The Company, without the prior approval of the members of the Company by special resolution, shall not:

- a. dispose of shares in its Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the Material Subsidiary without passing a special resolution in its general meeting except in cases where such divestment 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 and Bankruptcy Code, 2016 ("IBC"), subject to applicable laws and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved; or
- b. sell, dispose and lease of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year without the prior approval of the shareholders by way of passing special resolution in its general meeting, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by court/tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

#### **5. SELLING, DISPOSING AND LEASING OF ASSETS OF MATERIAL SUBSIDIARY:**

Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease 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 IBC, subject to applicable laws.

#### **6. SECRETARIAL AUDIT:**

Unlisted Material Subsidiaries incorporated in India, if any, 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.

#### **7. OTHER PROVISIONS RELATED TO UNLISTED SUBSIDIARY & MATERIAL UNLISTED SUBSIDIARY:**

The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary on an annual basis.

The minutes of the meetings of the Board of Directors of the unlisted Subsidiary shall be placed at the meeting of the Board of Directors of the Company.

The management of the unlisted Subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant Transactions or Arrangements entered into by the unlisted Subsidiary.

**8. DISCLOSURE:**

The Policy shall be disclosed under a separate section on the website of the Company and a web link thereto shall be provided in the Company's Annual Report.

**9. SCOPE LIMITATION:**

In case any provision(s) of this Policy is contrary to or inconsistent with the provision(s) of Listing Regulations or other applicable laws, the provision(s) of Listing Regulations or other applicable laws shall prevail.

**10. AMENDMENT:**

The Board of the Company may amend and/or modify this Policy in whole or in part, at any time, subject to the same being in compliance with the applicable laws.

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