

K I C METALIKS LIMITED

POLICY FOR DETERMINING 'MATERIAL SUBSIDIARY'

1. PREAMBLE

In accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), K I C Metaliks Limited (the "Company") is required to frame a policy for determining material subsidiary of the Company.

2. SCOPE AND EXCLUSION

This Policy sets out the criteria for determining material subsidiary / subsidiaries of the Company.

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 the Company and its subsidiaries in the immediately preceding accounting year.

3. DEFINITIONS/KEY TERMS

a. "Company" - Means K I C Metaliks Limited.
b. "Board" - Means Board of Directors of K I C Metaliks Limited.
c. "Turnover" - Means the aggregate value of the realization of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the Company during a financial year.
d. "Subsidiary Company or Subsidiary" - Means a subsidiary company as defined under 2(87) of the Companies Act, 2013.
e. "Material Subsidiary" - Shall mean a subsidiary, whose turnover or net worth exceeds 10% percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
f. "Net Worth" - Means net worth as defined under Section 2(57) of the Companies Act, 2013.

4. POLICY

a. At least one Independent Director of the Company shall be a director on the Board of the material unlisted subsidiary Company, whether incorporated in India or not.

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

c. The minutes of the meetings of the board of the unlisted subsidiary Company shall be placed at the meeting of the Board.

d. The management of the unlisted subsidiary shall periodically bring to the notice of the Board, a statement of all significant transactions or arrangements entered into by the unlisted subsidiary Company.

e. The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

f. The Company's 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.

g. The Company, without the prior approval of the members by special resolution as prescribed under Regulation 24 of the SEBI Listing Regulations, shall not:

   i. Dispose shares in the Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
   ii. Cease the exercise of control over the Material Subsidiary; or
   iii. Sell, dispose of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during an Financial year; Except in cases where such sale, disposal, lease as the case may be is made under a scheme of arrangement duly approved by the Court /Tribunal or under Resolution Plan duly approved under Section 31 of IBC 2016.

5. DISCLOSURE

This Policy on determining Material Subsidiary shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

6. INTERPRETATION

In case of any conflict between the provisions of this Policy and of Statutory Provisions, the Statutory Provisions shall prevail over this Policy. Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this Policy.

7. AMENDMENTS

The policy is a public document and shall be uploaded on the website of the Company. The Board shall have the power to amend the policy or replace the policy entirely with a new policy. However, the Company Secretary is authorized to provide clarifications or to amend the Policy to give effect to any changes / amendments

notified by the SEBI. Consequently, the policy shall be placed before the Board for their noting and ratification.