# Kusumgar Limited

**CIN: U65990MH1990PLC056871**
**Regd. Office:** 101, Manjushree, V.M. Road, Corner of N.S. Road No.5,
JVPD Scheme, Vile Parle (W), Mumbai 400056.

**Website:** www.kusumagar.com | **Email:** cs@kusumgar.com
**Tel:** + 91 22 6112 5100

# POLICY FOR DETERMINING MATERIAL SUBSIDIARY

**PREAMBLE:**

This Policy for determining Material Subsidiary (hereinafter referred to as the "**Policy**") has been framed by Kusumgar Limited (the "**Company**") pursuant to Regulation 16(c) read with Regulation 24 and 24A of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**"), as amended from time to time.

**OBJECTIVE:**

The Objectives of this Policy is to determine:

(i) Material Subsidiary;
(ii) Requirement of appointment of Independent Director as Director on the Board of a material unlisted subsidiary;
(iii) Restriction on disposal of shares of a material subsidiary by the Company;
(iv) Restriction on selling, disposing, leasing of assets of a material subsidiary;
(v) Disclosure requirements under the Listing Regulations and any other laws, regulations as may be applicable to the Company.

**DEFINITIONS:**

"**Act**" means the Companies Act, 2013 as amended from time to time;

"**Company**" means Kusumgar Limited

"**Control**" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;

"**Holding Company**" is as defined under clause 2(46) of the Act;

**"Material Subsidiary"** shall mean a subsidiary, whose 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;

"**Listing Regulations**" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;

"**Subsidiary Company**" or "**Subsidiary**" is as defined under clause 2(87) of the Act.

**IMPLEMENTATION AND APPROVAL PROCESS:**

i. The Company shall not dispose of shares in its material subsidiary which would reduce Company's shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the subsidiary without passing a Special Resolution in its General Meeting, except in case 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 (the "Insolvency Code") and such an event is disclosed to the recognized Stock Exchanges within one day of the resolution plan being approved.

ii. Prior approval of Shareholders of the Company by way of a Special Resolution will be obtained for sale, disposal of and leasing of assets amounting to more than 20% of the assets of the material subsidiary on aggregate basis during the financial year (except in case where such 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 Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved). In the event subsidiary of the Company becomes listed subsidiary which itself is a holding company, then this Policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

iii. At least one Independent Director of Kusumgar Limited shall be appointed as Director on the Board of a material unlisted subsidiary company, whether incorporated in India or not.

For the purpose of above clause (iii), the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

iv. The Company may also appoint Independent Director(s) on the board of overseas subsidiary company, as they may deem fit.

v. The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex in its annual report, a secretarial audit report, given by a Company Secretary in practice, in such form as may be specified.

vi. As prescribed under the Listing Regulations, 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.

vii. This Policy shall be subject to review by the Board from time to time as may be deemed necessary and in accordance with any regulatory requirements.

viii. In the event of any conflict between the provisions of this Policy and the Listing Regulations or the Act or any other statutory enactments, rules, the provisions of such Listing Regulations or the Act or statutory enactments, rules shall prevail over this Policy.

ix. Any subsequent amendment/modification in the Listing Regulations or the Act or any other applicable laws, direction or clarification by SEBI, provision of this Policy shall be read and implemented in context of such amended/modified or clarified positions.

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| Version | Effective Date | Description of Changes |
|---|---|---|
| 1.0 | 10th July, 2026 | Adoption at Board Meeting held on 10th July, 2026 |