



# **K.S. Oils Limited**

## **Policy for Determining Material Subsidiary**



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## 1. INTRODUCTION

The Board of Directors (the "Board") of K.S. Oils Limited (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below.

The Board may review and amend this policy from time to time. The Policy will be applicable to the Company effective February 12, 2026.

This Policy is in terms of Regulations 16 of the SEBI (LODR) Regulations, 2015

## 2. PURPOSE / OBJECTIVE OF THE POLICY

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries. The Policy is framed in accordance with the requirements of the Regulations 16 of the SEBI (LODR) Regulations, 2015 (including any amendments thereof).

## 3. DEFINITIONS:

**"Act"** means the Companies Act, 2013 read with rules made thereunder as amended from time to time.

**"Audit Committee or Committee"** means committee of the Board constituted from time to time under the provisions of Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

**"Board"** or "Board of Directors" means board of directors as defined under the Companies Act, 2013, as constituted by the Company, from time to time.

**"Company"** means K.S. Oils Limited.

**"Companies Act"** means the Companies Act, 2013 and rules made thereunder, as amended from time to time.

**"Directors"** shall mean the members of the Board including the independent directors

**"Holding Company"** in relation to one or more other companies means a company of which such companies are subsidiaries companies.

**"Independent Director"** means a director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act and the LODR;

**"Insolvency Code"** means Insolvency and Bankruptcy Code, 2016.

**"Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder

**"Listing Regulations"**, including any statutory modifications or re-enactments thereof for the time



being in force.

**“Policy”** means Policy for Determining ‘Material’ Subsidiary.

**\*“Material Subsidiary”** shall mean a subsidiary, whose turnover or net worth (i.e., paid-up capital, free reserves and securities premium account) exceeds ten percent of the consolidated turnover or net worth respectively, of the Listed Entity and its subsidiaries, in the immediately preceding accounting year.

\*with effect from December 13, 2024 as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024

**“Material Listed Subsidiary”** means a Material Subsidiary whose securities are listed on recognized stock exchanges.

**“Material Unlisted Subsidiary”** means a Material Subsidiary whose securities are not listed on recognized stock exchanges.

**“SEBI”** means the Securities and Exchange Board of India.

**“Significant Transaction or Arrangement”** means any individual transaction or arrangement that exceeds or is likely to exceed ten per cent (10%) 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.

**“Subsidiary”** shall mean a subsidiary as defined under the Companies Act, 2013, and the rules made thereunder, as amended from time to time.

**“Turnover”** shall have the same meaning as specified under Section 2(91) of the Companies Act, 2013. **“Unlisted Subsidiary”** means a Subsidiary whose securities are not listed on recognized stock exchanges.

Capitalized terms used in this Policy and not defined above shall have the same meaning as assigned to them under the LODR or any other applicable law.

#### **4. IDENTIFICATION OF ‘MATERIAL SUBSIDIARY’**

A subsidiary shall be a Material Subsidiary, if its turnover or net worth exceeds 10% (ten percent) of the consolidated turnover or net worth, respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year as per the audited consolidated financial statements of the company.

#### **5. PROVISIONS WITH REGARD TO SUBSIDIARIES**

- i. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company on a quarterly basis;
- ii. The Minutes of the Meetings of board of directors of the Unlisted Subsidiary company shall be placed at the Meeting of the board of directors of the Company on a quarterly



basis;

- iii. 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 and arrangements entered into by the unlisted subsidiary company shall be placed before the Board;

## **6. PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARIES**

- i. 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 company, whether incorporated in India or not. For the purpose of appointment of Independent Director on the Board of Material Subsidiary, the term material subsidiary shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- ii. The Company shall not 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 or equal to 50% (fifty percent) or cease the exercise of control over the subsidiary, without passing a special resolution in a 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 Code, and such an event is disclosed to the recognized stock exchanges within 1 (one) day of the resolution plan being approved.
- iii. The Company shall obtain prior approval of shareholders by means of a special resolution, for selling, disposing, or leasing of assets, amounting to more than 20% (twenty percent) of the assets of such Material Subsidiary on an aggregate basis during a financial year, unless when the sale, disposal or 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 1 (one) day of the resolution plan being approved.

## **7. SECRETARIAL AUDIT:**

In terms of Regulation 24A of the Listing Regulations, the Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the Company.



**8. AMENDMENTS:**

This Policy shall be reviewed and modified by the Board of Directors, as and when considered necessary as per statutory and business requirements of the Company. The Company reserves its rights to alter, modify, add, delete or amend any of the provisions of this Policy.

**9. DISCLOSURES:**

A copy of the Policy including amendments thereto shall be hosted on the website of the Company at [www.ksoils.in](http://www.ksoils.in) and its web link shall be provided in the annual report.

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