



KELLTON TECH SOLUTIONS LIMITED.

Kellton Tech Solutions' 'Policy on subsidiaries'

Introduction

Pursuant to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board of Directors (the "Board") of M/s. Kellton Tech Solutions Limited (the "Company") has adopted the following policy with regard to Subsidiary Company(s) and Material Subsidiary Company(s) of the Company as defined below. The Board may review and amend this policy from time to time. This Policy will be applicable effective 1st January 2016.

Policy Objective

This policy is intended to ensure that the Board has overall supervision on the functioning of the subsidiaries & material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

Definitions

"Audit Committee" means "Audit Committee" constituted by the Board of Directors of M/s Kellton Tech Solutions Limited from time to time, under the provisions of the Listing Agreement with the Stock Exchanges and the Companies Act, 2013.

"Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.

"Company" means a company incorporated under the Companies Act, 2013 or under any previous company law.

"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, 2013 and the Listing Agreement with the Stock Exchanges.



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“Material Subsidiary” shall mean a subsidiary, whose income or net worth (i.e, paid up capital and free reserves) exceeds twenty percent of the consolidated income or net worth respectively, of the holding Company and its subsidiaries in the immediately preceding accounting year.

“Material Non-Listed Indian Subsidiary” means an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

“Unlisted Subsidiary” means a subsidiary whose equity shares are not listed on any recognised stock exchange.

“Policy” means policy on Subsidiary & Material Subsidiary Company.

“Significant Transaction or Arrangement” means any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the subsidiary for the immediately preceding accounting year.

“Subsidiary(ies)” means subsidiary company(s) of a Company as defined in the Companies Act, 2013.



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Policy & Procedure

- a. At least one independent director on the Board of the company shall be a director on the Board of a material non-listed Indian subsidiary.
- b. The Audit Committee shall review the financial statements of the subsidiaries, in particular, the investments made by the unlisted subsidiary of the company.
- c. The minutes of the board meetings of the unlisted subsidiary company shall be placed at the board meeting of the company at regular intervals.
- d. The Board shall be provided with all significant transactions and arrangements entered into by the unlisted Subsidiary Company on a quarterly basis.
- e. The company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the 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.
- f. 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 the shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/ Tribunal.

Amendment to the Policy

The Board on its own and/or as per the recommendations of the Audit Committee can amend this policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc., shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Disclosures

The said Policy shall be disclosed on the Company's website "www.kelltontech.com" .