

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

(Pursuant to Regulation 16 (1) (c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing agreement entered into the stock exchange)

1. PURPOSE OF THE POLICY

The purpose of this Policy is determination of Material Subsidiaries and disclosure thereof as required by the Listing Agreement.

2. OBJECTIVE

The objective of this Policy is to determine -

- i) meaning of **'Material Subsidiary'**
- ii) requirement of Independent Director in certain Material Unlisted Indian Subsidiaries
- iii) Restriction on disposal of shares of Material Subsidiary by the Company
- iv) Restriction on transfer of assets of Material Subsidiary and
- v) Disclosure requirements as per Listing Agreement and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

"Company" means the **KRA Leasing 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 Shareholder agreements or voting agreements or in any other manner.

"Material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

"Significant Transaction or Arrangement" implies 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 unlisted material subsidiary for the immediately preceding accounting year.

"Subsidiary" shall mean as defined under the Companies Act, 2013 and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contract Regulation Act or any other applicable law or regulation.

4. INDEPENDENT DIRECTOR ON THE BOARD OF MATERIAL NON-LISTED INDIAN SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a director on the board of the unlisted Material Indian Subsidiary.

5. SIGNIFICANT TRANSACTIONS/ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES

The management should periodically bring to the attention of the Board a statement of all Significant Transactions and Arrangements entered into by the Unlisted Material Subsidiary Company.

6. RESTRICTIONS ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

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 fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment is under a scheme of arrangement duly approved by a court/tribunal

7. RESTRICTION ON DISPOSAL OF ITS 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 of the Company by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

8. DISCLOSURES

As prescribed by Regulation 46(1) (h) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement, this Policy shall be disclosed in the Company's website.

9. REVIEW OF THE POLICY

This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments