

KILBURN OFFICE AUTOMATION LIMITED

CIN: L27106WB1980PLC033140

Registered Office: VASUNDHARA BUILDING,
2nd Floor Space No.5 And 6, 2/7, Sarat Bose Road,
Kolkata – 700017, West Bengal
www.kilburnoffice.in

KILBURN'S POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES

In pursuance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time, the Board of Directors ('Board') of Kilburn Office Automation Limited (the 'Company') hereby formulate the Policy for determining Material Subsidiaries which shall be called "Kilburn's Policy on Determination of Material Subsidiaries" (the 'Policy') which is effective from December 1, 2015.

A. PURPOSE:

The policy is framed to identify the criteria for determining material subsidiary of the Company.

B. DEFINITIONS:

(i) "Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

(ii) "Board of Directors" or "Board" means the Board of Directors of Kilburn Office Automation Limited, as constituted from time to time.

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

(iv) "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 SEBI (LODR) Regulations, 2015.

(v) "Policy" means Policy on Determination of Material Subsidiaries.

(vi) "Material Subsidiary" shall mean a subsidiary whose Income or Net Worth exceeds 10% of the Consolidated Income or Net Worth of the Listed Entity and its Subsidiaries in the immediately preceding accounting year.

(vii) "Significant Transaction or Arrangement" shall mean 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 subsidiary for the immediately preceding accounting year.

(viii) "Subsidiary" shall be as defined under the sub-section (87) of section 2 Companies Act, 2013 and the Rules made thereunder.

Any other term used in this policy shall have the meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act, 1992 or Rules and Regulations made thereunder or any other relevant legislation/law applicable to the Company.

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C. MATERIALITY CRITERIA:

A Subsidiary of the Company is deemed to be material if its income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

D. POLICY:

(i) One Independent Director of the Company shall be a Director on the Board of the Material Subsidiary Company whether incorporated in India or not. For the purpose of this clause, Material Subsidiary shall mean a Subsidiary whose Income or Net Worth is exceeds 20% of the Consolidated Income or Net Worth of the Listed Entity and its Subsidiaries in the immediately preceding accounting year.

(ii) The Audit Committee and the Board of the Company shall review the Financial Statements, in particular, the Investments made by the unlisted Subsidiary Company.

(iii) The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed at the Board meeting of the Company.

(iv) A statement of all significant transactions and arrangements of the Unlisted Subsidiary shall be brought into notice of the Board of the Listed Entity periodically by the management of the unlisted subsidiary.

(v) Material Unlisted Subsidiaries Incorporated in India of every listed entity shall undertake Secretarial Audit.

E. DISPOSAL OF MATERIAL SUBSIDIARY:

The Company, without the prior approval of the members by Special Resolution, shall not:

- (a) dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- (b) ceases the exercise of control over the Subsidiary; or
- (c) sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary.

F. ANNUAL REVIEW:

The Board shall at its first meeting held in every financial year review the criteria and ascertain if any subsidiary falls under the said criteria.

G. COMPLIANCE BY THE COMPANY:

Whenever the Board determines that one or more of the Subsidiaries of the Company are 'material', the Company shall disclose the same to the Stock Exchanges and simultaneously update the same in its website.

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H. POWER TO AMEND:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy in conformity with the applicable laws in force.

I. DISCLOSURE IN WEBSITE:

Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report of the Company.

This policy shall be reviewed periodically and may be amended by the Board of Directors of Kilburn Office Automation Limited, subject to applicable law.