KIAASA RETAIL LIMITED

POLICY ON MATERIAL SUBSIDIARY

1. OBJECTIVE

The objective of this Policy is to determine the Material Subsidiaries of Kiaasa Retail Limited ("the Company") and to provide a governance framework for such subsidiaries.

2. DEFINITIONS

- **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company from time to time under the provisions of applicable laws including the Companies Act, 2013 and SEBI Listing Regulations.
- **"Board of Directors" or "Board"** means the Board of Directors of Kiaasa Retail Limited, as constituted from time to time.
- **"Company"** means Kiaasa Retail Limited.
- **"Independent Director"** means a director of the Company who meets the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and SEBI Listing Regulations.
- **"Policy"** means this Policy on Material Subsidiary.
- **"Material Non-Listed Indian Subsidiary"** means a material subsidiary which is incorporated in India and is not listed on any Indian Stock Exchange.
- **"Significant Transaction or Arrangement"** means any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues, total expenses, total assets, or total liabilities of the material unlisted subsidiary for the immediately preceding accounting year.
- **"Subsidiary"** shall have the meaning as defined under the Companies Act, 2013.

3. POLICY

I. Criteria for Material Subsidiary

- A subsidiary shall be considered a **Material Subsidiary** if:
- a) The investment of the Company in the subsidiary exceeds **20% of its consolidated net worth** as per the audited balance sheet of the previous financial year; or
- b) The subsidiary has generated **20% of the consolidated income** of the Company during the previous financial year.

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II. Governance Requirements

1. **Independent Director Requirement**

   At least **one Independent Director** of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary.

2. **Audit Committee Oversight**

   The Audit Committee shall review the financial statements of unlisted subsidiaries, particularly investments, on an **annual basis**.

3. **Board Reporting**

   The **minutes of Board meetings** of unlisted subsidiaries shall be placed before the Company's Board **quarterly**.

4. **Significant Transactions Reporting**

   Management shall present to the Board, on a **quarterly basis**, details of all **Significant Transactions and Arrangements** entered into by unlisted subsidiaries.

5. **Annual Review of Subsidiaries**

   Management shall present to the Audit Committee **annually** a list of subsidiaries along with details of their materiality.

   The Audit Committee shall review and recommend actions, including appointment of Independent Directors where applicable.

III. Restrictions on Disposal / Dilution

- The Company shall not, without prior approval of shareholders by **special resolution** (or as required under applicable regulations):
- a) Dispose of shares in a Material Subsidiary that reduces its shareholding to below **50%**;
- b) Cease to exercise control over the Material Subsidiary;
- c) Sell, dispose of, or lease assets exceeding **20% of the total assets** of the Material Subsidiary during a financial year.
- **Exception:**
  These restrictions shall not apply where such actions are undertaken pursuant to a scheme of arrangement approved by a Court/Tribunal.

4. DISCLOSURE

6. This Policy shall be disclosed on the Company's website and a web link shall be provided in the **Annual Report**.

5. MISCELLANEOUS

- This Policy is adopted in compliance with applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.
- The Board reserves the right to **amend, suspend, or rescind** this Policy at any time, subject to applicable laws.
- Any **ambiguities or difficulties** in interpretation shall be resolved by the Board.
- The Board may also establish further rules or procedures to give effect to this Policy and ensure good corporate governance.