

KAJARIA CERAMICS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

PURPOSE

This Policy has been adopted in accordance with the provisions of Regulation 16 read with Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). This Policy aims to determine Material Subsidiary(ies) of Kajaria Ceramics Limited ('Company') and is titled as the 'Policy for Determining Material Subsidiaries'.

DEFINITIONS

'Consolidated Turnover or Net worth' means the total turnover or net worth of the Company and its subsidiaries in the immediately preceding accounting year.

'Independent Director' means an Independent Director as defined under the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

'Policy' means Policy for Determining Material Subsidiaries or Material Subsidiary Policy;

'Significant transaction and 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 unlisted subsidiary for the immediately preceding accounting year.

'Subsidiary' includes a subsidiary incorporated in India or outside India and as defined under the Companies Act, 2013 and rules made thereunder.

'Unlisted Subsidiary' means a subsidiary whose securities are not listed on any recognized Stock Exchanges.

Words and expressions used in this Policy (whether defined here or not) shall have the same meanings ascribed to it, as defined under the Companies Act, 2013 or the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Act/Rules/Regulations framed by the Securities and Exchange Board of India or any other relevant legislation/regulations applicable to the Company.

POLICY AND PROCEDURES

I. Determination of Material subsidiary:

A subsidiary shall be considered as a Material subsidiary of the Company, if the turnover or net worth of such subsidiary exceeds 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

II. Determination of Material unlisted subsidiary:

A subsidiary shall be considered to be a Material unlisted subsidiary incorporated in India or not, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

III. Compliance with respect to subsidiary:

A. In case of Material Subsidiary:

- The Company, without the prior approval of the members by a Special Resolution, shall not:
 - dispose of shares in its Material Subsidiary which would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the subsidiary; or
 - sell, dispose and lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

However, no approval of members of the Company will be required in cases where such divestment/sale/disposal/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.

B. In case of Material Unlisted Subsidiary:

- At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of a Material Unlisted Subsidiary, incorporated in India or not.
- The Company and its Material Unlisted Subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditors, who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the Annual Report of the Company.

C. In case of any subsidiary:

- The Audit committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company on quarterly basis and the Board of Directors of the Company will also review all significant transactions and arrangements entered into by the unlisted subsidiary.
- Where the Company has a listed subsidiary, which is itself a holding company, the above provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

DISCLOSURE

The disclosure of this Policy shall be made in accordance with the Listing Regulations / other applicable laws.

REVIEW/AMENDMENT

The Board of Directors ('the Board') of the Company may review amend, abrogate, modify or revise any or all clauses of this Policy, from time to time. However, amendments in the Listing Regulations / other applicable laws shall be binding, even if not incorporated in this Policy.

This Policy has been revised by the Board of the Company at their meeting(s) held on October 25, 2018 and January 30, 2026.