

K.P.R. Mill Limited

Policy for determining Material Subsidiary

Approved by the Audit Committee on : 28.01.2015

Approved by the Board of Directors on : 05.02.2015

Pursuant to Clause 49 (V) (D) of the Listing Agreement, the Company has to formulate a policy for determining “Material Subsidiaries”.

Accordingly, the Company has devised a Policy for determining ‘Material Subsidiary’ adopting the same criteria as indicated in Explanation (i) of the Clause 49 (V) (D) of the Listing Agreement that is reproduced here below:

Clause 49 (V) (D) of the Listing Agreement

“**Explanation (i):** For the purpose of Sub-Clause (V) (a), the term “material non-listed Indian subsidiary” shall mean 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.”