



# **KALYAN CAPITALS LIMITED**

**(formerly known as Akashdeep Metal Industries Limited)**

## **POLICY ON MATERIAL SUBSIDIARIES**

### **PURPOSE OF THIS POLICY:**

Kalyan Capitals Limited (formerly known as Akashdeep Metal Industries Limited) ("KCL" or "Company") is governed amongst others by the rules and regulations framed by Securities Exchange Board of India ("SEBI"). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") lays out regulatory requirements for Material Subsidiary Companies.

The Board of Directors (the "Board") of the Company has adopted the policy and procedures for determining 'Material' subsidiary companies ("Policy") in accordance with the provisions of Regulation 16(1) (c) of the Listing Regulations.

This Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("Act") and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

The Audit Committee will review the policy as may be deemed necessary and in accordance with any Regulatory amendments.

### **DEFINITIONS**

**"Audit Committee"** means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of the Listing Regulations.

**"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 Act and the Listing Regulations.

**"Material Subsidiary"** shall mean a subsidiary, whose **turnover or net worth** exceeds **ten percent of the consolidated turnover or net worth** respectively, of the listed entity and its subsidiaries in the immediately preceding financial year.

**"Subsidiary"** shall be as defined under the Act and the rules made thereunder.

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**Registered Office:** Plaza-3, P3-204, II<sup>nd</sup> Floor, Central Square 20, Manohar Lal Khurana Marg, Bara Hind Rao, Delhi-110006

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***“Unlisted Subsidiary”*** means subsidiary whose securities are not listed on any recognized Stock Exchanges.

## **POLICY AND PROCEDURE**

1. The Audit Committee shall also review the financial statements, in particular, the investments made by the Unlisted subsidiary of the Company.
2. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company at regular intervals.
3. The Board shall be provided periodically with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.

A transaction or arrangement shall be considered significant if it exceeds or is likely to exceed 10 percent of total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for immediately preceding financial year.

4. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not.

Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16 (1) (c), the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

5. The Company shall not dispose of shares in its material subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

6. 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 by way of special resolution unless the 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 and such an event is disclosed to the

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recognized stock exchanges within one day of the resolution plan being approved.

7. Every Material Subsidiary incorporated in India shall undertake Secretarial Audit as referred under Section 204 of the Act by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the Secretarial Audit Report shall be annexed with the Annual Report of the Company as per Regulation 24A of the SEBI (LODR) Regulation 2015.

Explanation:

- (i) “Secretarial Auditor” means a Company Secretary in Practice or a firm of Company secretary (ies) in practice appointed to conduct the Secretarial Audit.
- (ii) “Peer Reviewed Company Secretary” means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India.

## **DISCLOSURES**

The Company shall disclose in its Board’s report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company’s website and a web link thereto shall be provided in the Board’s report.

## **LIMITATION AND AMENDMENT**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

**Approval Date: 12.12.2022**

**Review Date: 09.02.2024**

**Review Date: 14.11.2025**

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