

POLICY FOR DETERMINING “MATERIAL” SUBSIDIARIES

LEGAL FRAMEWORK

This Policy is framed by the Board of Directors of KLG Capital Services Limited (hereinafter referred to as the ‘Company’ or ‘KLG’) in accordance with the requirement of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Regulations’). The policy is intended to determine the material subsidiaries of the Company and to provide for the governance framework for such subsidiaries.

DEFINITIONS

1. **“Act”** means Companies Act, 2013 & rules made thereunder, including any modifications, clarifications, amendments, circulars or re-enactment thereof.
3. **“Board of Directors”** or **“Board”** means the Board of Directors of the Company, as constituted from time to time.
3. **“Material Subsidiary”** shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
4. **“Policy”** means this Policy, as may be amended from time to time.

POLICY

- i) It shall be the responsibility of the Company to ascertain which of its subsidiary companies can be deemed to be a material subsidiary in terms of the provisions of Listing Regulation and ensure adherence to the relevant provisions stated therein.
- ii) Regulation 24 of the Listing Regulations which provides for Corporate Governance requirements with respect to subsidiary of listed entity is not applicable to the Company.
- iii) Pursuant to Regulation 30 of the Listing Regulations, the listed entity shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

DISCLOSURES

This Policy on determining Material Subsidiary shall be disclosed on the website of the Company (www.klgcapital.com).

MISCELLANEOUS

Any terms used in this policy but not defined herein shall have the same meaning ascribed to it in the Listing Regulations, the Act, SEBI Act or Rules and Regulations made thereunder and/or any other relevant legislation / law applicable to the Company.

AMENDMENT

Any amendment/modification in the Listing Regulations, the Act and/or other applicable laws in this regard shall automatically apply to this Policy.

Further, the Board may amend this Policy as and when it deems fit.
