



POLICY FOR DETERMINING MATERIAL SUBSIDIARY

A. K. CAPITAL SERVICES LIMITED
POLICY FOR DETERMINING MATERIAL SUBSIDIARY

TITLE:

This Policy shall be called '***Policy for Determining Material Subsidiaries***'.

OBJECTIVE:

- a. The objective of the Policy is to determine the Material Subsidiaries of A. K. Capital Services Limited (AKCSL) and to ensure governance of material subsidiary companies.
- b. The Policy is framed in accordance with the requirement of the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") (including any amendments or re-enactment thereof)
- c. The Company is required to disclose the Policy on its website and a web link thereto shall be provided in the Annual Report.

This Policy may be amended from time to time and is subject to (i) Amendments to the Companies Act, 2013; (ii) Further guidance from SEBI; (iii) Consequential actions taken by the Board of Directors or the Audit Committee of the Company.

DEFINITIONS:

"Audit Committee" means Audit Committee constituted by the Board of Directors of the Company, from time to time, under Section 177 of the Companies Act, 2013 and the Listing Agreement.

"Board of Directors" or **"Board"** means the Board of Directors of A. K. Capital Services Limited, as constituted and amended from time to time.

"Company" means A. K. Capital Services Limited. (AKCSL)

"Independent Director" means a director of the Company, as appointed in terms of Section 149 of the Companies Act, 2013 and who also satisfies the criteria of Independence as mentioned in the SEBI LODR Regulations.

"Policy" means Policy for Determining Material Subsidiaries.

"Material Non-Listed Indian Subsidiary" mean a Material Subsidiary which is incorporated in India and which is not listed on the Indian Stock Exchanges.

“Significant Transaction or 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 Material Non-Listed Subsidiary for the immediately preceding accounting year.

“Subsidiary” shall mean a Subsidiary as defined under Section 2(87) of the Companies Act, 2013 and the Rules made thereunder.

POLICY:

- A. A Subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:
 - i. If the investment of AKCSL, exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
 - ii. If the Subsidiary has generated 20% of the consolidated income of AKCSL during the previous financial year.
- B. One Independent Director of AKCSL shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
- C. The Audit Committee of the AKCSL shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- D. The Minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed on a quarterly basis at the Board Meeting of AKCSL.
- E. The management shall on a quarterly basis bring to the attention of the Board of Directors of AKCSL, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.
- F. The management shall present to the Audit Committee annually the list of such Subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.

DISPOSAL OF MATERIAL SUBSIDIARY:

AKCSL, without the prior approval of the members by Special Resolution, shall not:

- i. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other Subsidiaries) to less than 50%; or
- ii. ceases the exercise of control over the Subsidiary; or

