Krystal Integrated Services Limited
(Previously known as Krystal Integrated Services Private Limited)

Policy for determining Material Subsidiaries

SUMMARY OF POLICY / CODE	
Owner / Created by	Secretarial Team
Adherence by	Board of Directors
Version	1.4
Effective Date	September 15, 2023
Last Review Date	April 30, 2025
Review Frequency	AN - Annually OT – Other i.e upon regulatory change
Related Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Next Review Date	August 2027 / as and when required due to change in regulations and / or applicable laws. Any subsequent amendment / modification in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or applicable laws in this regard shall automatically apply to this Policy.
Reviewed by	Audit Committee
Approved by	Board of Directors
Approval Date	August 04, 2026
Confidentiality level	Board / Audit Document

Change History				
Version	**Effective Date**	**Created by**	**Approved by**	**Description of change**
1.1	September 15, 2023	Secretarial Team	Board of Directors	Initial Policy
1.2	August 12, 2024	Secretarial Team	Board of Directors	Annual review; and no changes were required.
1.3	April 30, 2025	Secretarial Team	Board of Directors	Updated in line with SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024

Change History				
Version	**Effective Date**	**Created by**	**Approved by**	**Description of change**
1.4	August 04, 2026	Secretarial Team	Board of Directors	Annual review; to incorporate the applicable corporate governance requirements prescribed under Regulation 24 of the SEBI Listing Regulations

Krystal Integrated Services Limited

Policy for determining Material Subsidiaries

Objective

This policy is framed, inter-alia, pursuant to Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to determine the Material Subsidiaries of Krystal Integrated Services Limited (the 'Company') and to provide the governance framework for such Material Subsidiaries as prescribed under the aforesaid Regulations.

Policy

a) A 'Material Subsidiary' shall mean a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

b) At least one Independent Director on the Board of the Company shall be a director on the Board of the Material Unlisted Subsidiary Company, whether incorporated in India or not.

   For the purpose of this particular clause –
   a) "material subsidiary" shall mean a subsidiary, whose turnover 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; and
   b) "Unlisted Subsidiary" shall mean a subsidiary whether incorporated in India or not and which is not listed on any of the Stock Exchanges.

c) The audit committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

d) 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 listed entity.

e) The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

f) Unlisted material subsidiaries incorporated in India shall undertake secretarial audit, by a Secretarial Auditor who shall be a peer reviewed company secretary in practice and shall annex a secretarial audit report with the annual report of the Company.

g) The Company, shall not dispose of shares in its material subsidiary resulting in reduction of its 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 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 a Court/Tribunal/Government or under resolution plan duly approved under section 31 of the Insolvency Code.

h) Selling, disposing and leasing of assets amounting to more than 20% 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 sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal/Government or under resolution plan duly approved under section 31 of the Insolvency Code.

i) Other compliances as applicable with respect to such Material Subsidiar(ies) shall be in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, if any, for the time being in force.

Disclosure

This Policy for determining Material Subsidiaries shall be disclosed on the Company's website and a web link thereto shall be provided in its Annual Report.

Amendments to the Policy

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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