SHREE SALASAR INVESTMENTS LIMITED

Policy for Determining Material Subsidiaries

1. Introduction

In accordance with Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Board of Directors of Shree Salasar Investments Limited ("the Company") has adopted this Policy for determining the material subsidiaries of the Company.

2. Purpose

The purpose of this Policy is to set out the criteria for identifying the material subsidiaries of the Company, and to lay down a framework of good corporate governance for its subsidiaries, in compliance with the applicable laws.

3. Interpretation and Definitions

Words and expressions not defined in this Policy shall have the meaning given to them in the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India Act, 1992, and the Listing Regulations.

- **"Board"** means the Board of Directors of the Company, as defined under Section 2(10) of the Act.
- **"Audit Committee"** means the Audit Committee constituted by the Board under Section 177 of the Act and Regulation 18 of the Listing Regulations.
- **"Independent Director"** means an Independent Director of the Company as defined in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.
- **"Material Subsidiary"** means a subsidiary whose income or net worth exceeds **10%** of the consolidated income or consolidated net worth, respectively, of the Company and its subsidiaries in the immediately preceding financial year. *For the purpose of clause 4(a) below, a subsidiary is material if its income or net worth exceeds **20%** of the consolidated income or consolidated net worth.*
- **"Subsidiary"** means a subsidiary as defined under Section 2(87) of the Act.
- **"Significant Transaction or Arrangement"** means any individual transaction or arrangement that exceeds, or is likely to exceed, 10% of the total revenues, total expenses, total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding financial year.

4. Corporate Governance Requirements for Subsidiaries

In accordance with Regulations 24 and 24A of the Listing Regulations:

(a) Independent Director on the subsidiary's board: At least one Independent Director of the Company shall be a director on the board of every unlisted material subsidiary, whether incorporated in India or not, whose income or net worth exceeds 20% of the consolidated income or net worth of the Company and its subsidiaries in the immediately preceding financial year.

(b) Review by the Audit Committee: The Audit Committee of the Company shall review the financial statements of the unlisted subsidiaries, in particular the investments made by them.

(c) Minutes before the Board: The minutes of the board meetings of the unlisted subsidiaries shall be placed at the meeting of the Board of the Company.

(d) Significant transactions: The management of the unlisted subsidiaries shall periodically bring to the notice of the Board of the Company a statement of all Significant Transactions or Arrangements entered into by them.

(e) Disposal of shares: The Company shall not dispose of shares in its material subsidiary that would reduce its shareholding (on its own or together with its other subsidiaries) to 50% or less, or cease the exercise of control over the subsidiary, without passing a special resolution in its General Meeting. This shall not apply where the divestment is made under a scheme of arrangement duly approved by a Court or Tribunal, or under a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, and the event is disclosed to the stock exchange within one day of the resolution plan being approved.

(f) Disposal of assets: Selling, disposing of or leasing assets amounting to more than 20% of the assets of a material subsidiary on an aggregate basis during a financial year shall require the prior approval of the shareholders of the Company by special resolution. This shall not apply where the sale, disposal or lease is made under a scheme of arrangement duly approved by a Court or Tribunal, or under a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, and the event is disclosed to the stock exchange within one day of the resolution plan being approved.

(g) Secretarial audit: Every unlisted material subsidiary incorporated in India shall undertake a secretarial audit, and the secretarial audit report given by a Company Secretary in practice shall be annexed to the Annual Report of the Company.

5. Disclosure

This Policy shall be placed on the website of the Company, and a web link to it shall be provided in the Annual Report of the Company.

6. Amendment

If any provision of this Policy becomes inconsistent with the Act, the Listing Regulations or any other applicable law because of a subsequent amendment, the provisions of such law shall prevail, and this Policy shall be modified in due course to make it consistent. The Board shall review this Policy as and when required to ensure that it remains effective and meets the requirements of applicable law.