

Shivalik Bimetal Controls Limited

Policy for Determining Material Subsidiaries

LEGAL FRAMEWORK

Regulation 16 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"], requires a listed company to frame a policy for determining a "material" subsidiary, which shall be hosted on the website of the Company and the web link of the same is to be disclosed in the section titled as 'Corporate Governance Report' of the Annual Report of the Company.

GOVERNING LAW

This policy shall be governed by the provisions of the SEBI Act, 1992, Rules and Regulations made thereunder and all other applicable laws for the time being in force.

PURPOSE

This Policy lays down the criteria for determining and dealing with material subsidiary of Shivalik Bimetal Controls Limited (hereinafter referred to as "the Company").

SCOPE

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

DEFINITIONS

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 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

Regulation 16(1) (c) of SEBI (LODR), Regulations, 2015: (as amended)

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 accounting year.

Explanation. - The listed entity shall formulate a policy for determining 'material' subsidiary.

EFFECTIVE DATE

The Policy will be applicable to the Company effectively from 1st April, 2022 and last amended on February 12, 2025.

Last amended and reviewed on February 12, 2025

COMPLIANCE UNDER REGULATIONS

In terms of Regulation 24 of SEBI (LODR) Regulations, the Company shall make the following compliances in connection with the subsidiary:

A) The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

B) 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 Company.

C) The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary.

D) At least one independent director on the board of directors of the Company shall be a director on the board of directors of an 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 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

E) The Company shall not dispose of the 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, 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.

F) The Company shall not sell, dispose of or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without the prior approval of its 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 recognized stock exchanges within one day of the resolution plan being approved. Nothing contained in this clause shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

G) Material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.

H) The Company shall disclose all events or information as covered under Regulation 30 of SEBI (LODR Regulation) with respect to subsidiaries, which are material for it.

GOVERNANCE

INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or rules and regulations made thereunder, or any other relevant legislation / law applicable to the Company. In case of any conflict between the law and the policy, the law shall prevail.

REVIEW/AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

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.