

SHIVOM MINERALS LIMITED

POLICY ON MATERIAL SUBSIDIARIES

Version 1.1
Adopted w.e.f 16 th March, 2024

PURPOSE OF THIS POLICY:

Shivom Minerals Limited (“SML” or “Company”) is governed amongst others by the rules and regulations framed by Securities Exchange Board of India (“SEBI”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“SEBI (LODR) Regulations”) lays out regulatory requirements for material subsidiary companies.

The Board of Directors (the “Board”) of the Company have adopted the policy and procedures for determining ‘material’ subsidiary companies (“Policy”) in accordance with the provisions of Regulation 16(1)(c) of the SEBI (LODR) Regulations.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

SCOPE / OBJECTIVE OF THE POLICY:

The objective of this Policy is to determine:

- i. Meaning of Material Subsidiary;
- ii. Restriction on disposal of shares of Material Subsidiary by the Company;
- iii. Restriction on transfer of assets of Material Subsidiary; and
- iv. Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

DEFINITIONS:

“**Audit Committee**” means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulation.

“**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and the SEBI (LODR) Regulation.

“**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“**Material Unlisted Indian Subsidiary**” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“**Significant transaction or arrangement**” shall mean 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 unlisted subsidiary for the immediately preceding accounting year.

“**Subsidiary**” shall be as defined under the Act and the rules made thereunder.

“**Unlisted Subsidiary**” means subsidiary whose securities are not listed on any recognized Stock Exchanges.

POLICY AND PROCEDURE:

1. The list of Material subsidiaries of the Company shall be placed before the Audit Committee for their review on an annual basis.
2. The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
3. The Audit Committee will also review utilization of loans and/ or advances from/investment in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower
4. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company at regular intervals.
5. The Board shall be provided periodically with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.
6. At least one Independent Director of the Company shall be a director on the board of the 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 income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
7. The Company shall not dispose of shares in its material subsidiary, which would reduce 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.
Such approval shall not be required if the disinvestment is:
 - under a scheme of arrangement duly approved by Court/Tribunal
 - under a resolution plan duly approved under section 31 of the Insolvency Codeand such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
8. Selling, disposing and leasing of assets amounting to more than 20% (twenty percent) 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.
Such approval shall not be required if the disinvestment is:
 - under a scheme of arrangement duly approved by Court/Tribunal
 - under a resolution plan duly approved under section 31 of the Insolvency Codeand such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
9. Every material unlisted subsidiary incorporated in India shall undertake a secretarial audit and the secretarial audit report shall be annexed with the annual report of the Company.

DISCLOSURES

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the SEBI (LODR) Regulation. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Board's report.

LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Act or SEBI (LODR) Regulation or any other statutory enactments, rules, the provisions of such Act or SEBI (LODR) Regulation or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy
