SHREM INFRA INVEST PRIVATE LIMITED

POLICY ON MATERIAL SUBSIDIARY

Approved By	Board of Directors
Effective Date	April 04, 2026
Version	2.0

POLICY ON MATERIAL SUBSIDIARY

A. PREAMBLE

In exercise of the power given under Regulation 16 read with Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Board of Directors of Shrem Infra Invest Private Limited ('the Company') have framed and adopted / approved the Policy for determining "Material Subsidiary" of the Company in compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations").

B. OBJECTIVE AND PURPOSE:

The objective of this Policy is to determine "Material Subsidiary" of the Company and to provide a governance framework for such "Material Subsidiary"

C. DEFINITION:

As defined under Regulation 16 of SEBI (LODR) Regulations, 2015, "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.

D. LIMITATION IN DETERMINING MATERIAL SUBSIDIARY:

The terms "Material subsidiary", "subsidiary", "unlisted subsidiary", "listed subsidiary" etc. have since been distinctly mentioned in sub-regulations under Chapter IV of the Regulations, the respective provisions of the Regulations are meant to be applicable accordingly and as the case may be. It is pertinent to state that irrespective of the status (i.e. holding company or material subsidiary or wholly owned subsidiary or subsidiary) all are distinct and separate legal entities under the law and function under respective independent Board of directors.

E. CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO MATERIAL SUBSIDIARY:

The Regulation 24(1) of the Regulations dealing with determining Material Subsidiary is reproduced hereunder: 24(1) At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

Explanation - For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the term "material subsidiary" shall mean a subsidiary, whose turnover 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

Accordingly, the consolidated turnover or net worth of the listed entity and its subsidiaries incorporated in India or not, in the immediate preceding accounting year is the basis for identifying or determining a "material subsidiary".

F. FREQUENCY OF MATERIALITY TEST

The materiality test shall be applied every financial year as soon as the audited financial statements of the Company are made available.

G. REQUIREMENTS IN RELATION TO THE MATERIAL SUBSIDIARY COMPANY AS PER THE REGULATION PROVIDED UNDER CHAPTER IV OF THE REGULATIONS:

Following requirements shall be observed by the Company in relation to a material subsidiary of the Company:

1. At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India or not.

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

3. 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.

4. 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.

   Explanation- For the purpose of this regulation, the term "significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten per cent 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.

5. A listed entity 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 fifty per cent 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.

6. Selling, disposing and leasing of assets amounting to more than twenty per cent 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 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 sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

7. Where a listed entity has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

H. REVIEW AND AMENDMENT OF POLICY

This Policy shall be reviewed annually or as required. The Board reserves the right to amend or modify this Policy as and when required

Adopted by the board of directors of Shrem Infra Invest Private Limited on April 04, 2026.

For Shrem Infra Invest Private Limited

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Nitan Chhatwal
Director
DIN: 00115575