

Policy for Determining Material Subsidiaries

1. Introduction:

The Board of Directors of Sharda Ispat Limited (“the Company”) has adopted the policy and procedures with regard to determination of material subsidiary (ies). As on date of formulating this policy, the company has no subsidiaries and there is no immediate applicability. However, the policy is devised in order to cater to the needs of the Company in future when the Company would own Subsidiaries. The Board may review and amend this policy from time to time.

2. Title & Applicability:

This Policy shall be called “Policy for determining Material Subsidiaries”.

This policy will be applicable to the Company with effect from 1st December, 2015 in terms of Clause 16 (c) of Chapter (iv) of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

3. Objective:

The objective of this policy is to determine the material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

The Policy is framed in accordance with the requirements of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) (including any amendment thereof).

4. Definitions:

- a. “Board” means the Board of Directors of Sharda Ispat Limited.
- b. “Company” means Sharda Ispat Limited.
- c. “Policy” means this Policy, as amended from time to time.

5. Policy:

- a. A subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds twenty percent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty percent of the consolidated income of the Company during the previous financial year.
- b. A “Material non-listed Indian subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e Paid up Capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

6. Amendments:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.