

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. PREFACE:

Shish Industries Limited (the “Company”) is committed to comply with each and every applicable laws and regulations in a fair and timely manner. The Company’s securities are listed on the BSE Limited (BSE) and the Company must comply with the obligations imposed by the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI Listing Regulations”) including amendments therefor;

Regulation 16 of SEBI Listing Regulations mandate listed entities to formulate a Policy for determining Material Subsidiaries. It is in this context that the Policy for determining Material Subsidiaries (“Policy”) is being framed and implemented by the Company.

2. DEFINITIONS:

- (1) “Control” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
- (2) “Significant Transaction or Arrangement” means 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 material unlisted subsidiary for the immediately preceding accounting year.
- (3) “Subsidiary” means mean as defined under the Companies Act, 2013 Act and the Rules made thereunder.

All other words and expressions used but not defined in this Policy, but defined in the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. OBJECTIVE OF THE POLICY:

The objective of this Policy is to determine (a) meaning of Material Subsidiary (b) requirement of Independent Director in certain material non-listed subsidiaries (c) Restriction on disposal of shares of material subsidiary by the Company (d) Restriction on transfer of assets of material subsidiary and (e) other requirements or obligation of SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

4. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

A Subsidiary (including Foreign Subsidiary) shall be considered as Material Subsidiary, if its income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

5. POLICY:

The Company shall comply with all the Corporate Governance requirements of SEBI Listing Regulations, 2015 and other applicable laws, rules and regulations as amended from time to time, with respect to Subsidiary including Material Subsidiary.

6. POLICY REVIEW:

The Compliance Officer may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors.

If there be any inconsistency between the terms of the Policy and the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail.

Any amendments to the SEBI Listing Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy.

7. EFFECTIVE DATE:

The Policy as approved by the Board of Directors shall be effective from May 28, 2021.
