

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

SILVER CONSUMER ELECTRICALS LIMITED

CIN: U46539GJ2021PLC122633

Reg. Office: Revenue Survey No. 36, 37, 38, 43 to 47/1, Plot No. 1, 3, 5 & 6,
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Purpose of this Policy:

Silver Consumer Electricals Limited (the “**Company**”) is governed amongst others by the rules and regulations framed by the Securities Exchange Board of India (“**SEBI**”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”) lays out regulatory requirements for material subsidiaries of listed companies.

The Board of Directors (the “**Board**”) of the Company has adopted this policy for determining ‘Material’ subsidiaries of the Company (“**Policy**”) in accordance with the provisions of Regulation 16(1)(c) of the SEBI Listing Regulations. All the compliance requirements relating to material subsidiaries shall be followed by the Company, as legally required.

The Policy will be used to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries. All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI 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 or any other applicable law, rules or regulations.

Criteria:

This Policy sets out criteria for determination of material subsidiaries.

A subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year shall be considered a 'material subsidiary'.

Disclosures:

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the SEBI Listing Regulations. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report. Further, details of material subsidiaries of the Company, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries shall also be disclosed in the annual report. Furthermore, the Company and its 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, with the annual report of the Company.

Requirement regarding Disposal Material Subsidiary:

The Company, without the prior approval of the members by Special Resolution, shall not:

- dispose shares in material subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%; or
- ceases the exercise of control over the material subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ Tribunal; or
- sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during an accounting year.

Provided that prior approval of shareholders will not be required if such divestment, sale, disposal or 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

REVIEW AND AMENDMENT:

The Board shall have the power, subject to applicable laws, 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

INTERPRETATION:

In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/ modification in SEBI Listing Regulations, Companies Act, 2013, and/or applicable laws in this regard shall automatically apply to this Policy.