

**SHAKTI PUMPS (INDIA) LIMITED**  
**POLICY FOR DETERMINING MATERIAL**  
**SUBSIDIARIES**

**1. Introduction:**

This Policy is framed for determining “material subsidiary” pursuant to the provisions of Regulations 16 and 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board of Directors of the Company may review and amend this policy from time to time to align it with the applicable laws, rules, notifications, circulars and regulations.

The Principal Policy was approved by the Board of Directors at its meeting held on 1<sup>st</sup> October 2014 and subsequently amended on 16<sup>th</sup> February, 2024.

**2. Objective:**

This Policy deals with determination of “material’ subsidiary” of Shakti Pumps (India) Limited in terms of Regulation 16(1)(c) and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”) which states that the Company shall formulate a Policy for determination of the “material subsidiary”. This Policy is intended to ensure the governance framework of subsidiary.

**3. Definitions:**

- a. “Board” means the Board of Directors of **Shakti Pumps (India) Limited**.
- b. “Company” means **Shakti Pumps (India) Limited**.
- c. “Policy” means this Policy, as amended from time to time.

**4. Policy:**

- A subsidiary shall be considered as a **material subsidiary** pursuant to regulation 16(1)(c) of the Regulations, if the Income or net worth of the subsidiary exceeds 10% of consolidated Income or net worth of the Company and its subsidiaries in the immediately preceding accounting year.; or
- A “subsidiary” shall be considered as a **unlisted material subsidiary**, if the Income or net worth of the subsidiary exceeds 20% of consolidated Income or net worth of the Company and its subsidiaries in the immediately preceding accounting year.

**5. Disclosures:**

The Policy for determining material subsidiaries is to be disclosed on the Company’s website and a web link thereto shall be provided in the Annual Report of the Company, as per the provisions of laws in force.

**6. Interpretation:**

Any words used in this policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement or any other relevant legislation / law applicable to the Company.

\*\*\*\*\*