

POLICY FOR DETERMINING MATERIALITY OF SUBSIDIARIES

1. OBJECTIVE

a. The object of this Policy is to determine the “Material Subsidiaries” of Shankara Buildpro Limited (the “Company”) pursuant to Regulation 16 (1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to determination of ‘Material Subsidiaries’ (as defined hereinafter) and to provide a governance framework for such subsidiaries.

b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), requires every listed entity to formulate a policy for determination of material subsidiaries for the purpose of making appropriate disclosures to the stock exchanges and such policy is required to be disclosed on the Company's website.

c. Considering the aforesaid requirements, The Board of Directors of Shankara Buildpro Limited (the “**Company**”) has adopted the following Policy and procedures with regard to determination of material subsidiaries in accordance with the requirements of the Regulation 16 and Regulation 24 of the SEBI Listing Regulations.

d. All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Listing Regulations, and if not defined therein, then as per the Companies Act, 2013 or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 and/or the rules and regulations made thereunder, or any other Act and/or applicable laws or any statutory modification or re-enactment thereto, as the case may be.

2. DEFINITIONS

“**Audit Committee**” means the Audit Committee of the Board constituted by the Board of Directors of the Company, from time to time.

“**Board of Directors**” or “**Board**” means the board of directors of the Company, as constituted from time to time.

“**Company**” means Shankara Buildpro Limited

“**Companies Act**” means the Companies Act, 2013 and the rules thereunder, as amended

“**Independent Director**” means a Non-Executive Director of the Company, not being a Managing or Whole Time Director or Nominee Director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for Independence under the Section 149(6) Companies Act, 2013 and Listing Regulations.

“**Material Subsidiary**” means a subsidiary, whose 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.

“**Net Worth**” shall mean the Net Worth as defined in Section 2(57) of the Companies Act 2013.

“**Significant Transaction or Arrangement**” means 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 material subsidiary for the immediately preceding accounting year.

“**Subsidiary**” means a subsidiary as defined under Section 2(87) the Companies Act, 2013.

3. CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARY

- At least one Independent Director on the Board of the Company shall be a director on the board of directors of an unlisted Material Subsidiary of the Company, incorporated in India.

Explanation - For the purposes of this provision, notwithstanding anything to the contrary contained in Definition in Clause 2 above, the term “Material Subsidiary” shall mean a subsidiary,

whose income or net worth exceeds 20% (twenty percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted Material Subsidiary, on a quarterly basis.
- The minutes of the meetings of the board of directors of the Material Subsidiary shall be placed at the Board meetings of the Company
- The management of the Unlisted Material Subsidiary shall periodically bring to the attention of the Board, a statement of all Significant Transactions or arrangements entered into by the Material 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 10% (ten percent) 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.

- The Company 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 or equal to 50% (fifty percent) 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.
- Selling, disposing and leasing of assets amounting to more than 20% (twenty percent) 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. However, the same shall not be applicable if such sale, disposal or lease of asset is between two wholly owned subsidiaries.
- Every material unlisted subsidiaries of the Company incorporated in India shall undertake Secretarial Audit and shall annex a Secretarial Audit report given by a Company Secretary in Practice, in such form as specified, with the Annual Report of the Company.

4. LISTED SUBSIDIARY

If the Company at any time has a listed Subsidiary which is itself a holding company, the provisions of the SEBI Listing Regulations shall apply to the listed Subsidiary in so far as its Subsidiaries are concerned.

5. AMENDMENTS

The Board may, subject to applicable laws, amend or substitute any of the provision(s) with the new provision(s) or replace this Policy entirely with a new Policy, based on the recommendations of the Audit Committee. The Board may also formulate further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

6. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations / the Companies Act, 2013 or any other statutory enactments, rules, the provisions of the SEBI Listing Regulations / the Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

7. DISCLOSURES AND REVIEW

The Policy for determining Material Subsidiaries shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report. The Policy will be reviewed on an annual basis or as and when warranted due to regulatory requirements.

Effective Date: September 25, 2025