BELDING INDIA LIMITED

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

BELDING

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1. INTRODUCTION

The Policy for Determining 'Material' subsidiaries is made to determine 'Material Subsidiaries of listed entity.

2. REGULATORY FRAMEWORK

This Policy is formulated in accordance with Regulation 16(1)(c) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time, read with the applicable provisions of the Companies Act, 2013 and the rules made thereunder, and other applicable laws, regulations, and statutory requirements governing subsidiaries of listed entities.

3. DEFINITIONS

"**Audit Committee**" or "**Committee**" means Audit Committee constituted by the Board of Directors of the Company under the provisions of Listing Regulations, 2015 and the Companies Act, 2013, from time to time.

"**Board of Directors**" or "**Board**" means the Board of Directors of Belding India Limited, as constituted from time to time.

"**The Company**" means Belding India Limited.

"Holding Company" means Holding Company as defined under Section2(46) of the Act.

"**Control**" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"**Independent Director**" means an Independent Director referred to in section 149(6) and 2(47) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.

"**Management**" means the Senior Management and Key Managerial Personnel of Belding India Limited.

"**Policy**" means this policy on Material Subsidiaries.

"**Significant Transaction**" or "**Arrangement**" shall mean 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.

"**Subsidiary**" means subsidiary company as defined under section 2(87) of the Companies Act, 2013 and the rules made thereunder.

Further, the words and expressions used in this Policy unless defined hereunder shall have the meaning assigned to them respectively in the Companies Act, 2013 ('Act') and rules made thereunder, SEBI Listing Regulations, SEBI Act, 1992, Securities Contracts (Regulation) Act, 1956 or the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modification or re-enactment thereof for time being in force, as the case may be.

4. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARIES:

A subsidiary shall be considered as material if its income or net worth exceeds 10% (ten per cent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year ("**Material Subsidiary**").

The Audit Committee shall review on an annual basis such details/ information as may be required to determine the 'Material Subsidiaries'.

5. PROCESS FOR DETERMINING MATERIAL SUBSIDIARIES

The Company shall, upon adoption of the audited consolidated financial statements/results for each financial year, identify and ascertain its material subsidiaries. The Company shall ensure compliance with all applicable provisions relating to material subsidiaries within an appropriate timeframe. Further, the Audit Committee shall annually review the status of material subsidiaries, including any addition or deletion thereof, at the time of consideration/adoption of the consolidated financial statements/results for the immediately preceding financial year, and shall take note of and recommend necessary actions/compliances, wherever applicable.

In the event of acquisition of a subsidiary during a financial year, the Company shall assess the materiality of such subsidiary based on the financial statements of the acquired subsidiary for the immediately preceding financial year and the audited consolidated financial statements of the Company for the immediately preceding financial year.

6. GOVERANCE FOR THE MATERIAL SUBSIDIARIES

6.1 On the recommendation of Nomination and Remuneration Committee, at least one Independent Director on the Board of Directors of the Company shall be a director on the Board of the unlisted material subsidiary, whether incorporated in India or not.

For the purpose of appointment of Independent Director, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

6.2 The Company's material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.

6.3 The Audit Committee shall review the financial statements of each Unlisted Subsidiary including Material Subsidiary, in particular, the investments made by such Unlisted Subsidiary on a regular basis.

6.4 The minutes of the Board Meetings of the unlisted subsidiary company shall be periodically placed before the Board.

6.5 A statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Company shall be periodically placed before the Board of Directors.

7. DISPOSAL OF SHARES OR ASSETS OF MATERIAL SUBSIDIARY

1. Disposal of shares of Material Subsidiary, by the Company which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the Subsidiary shall require a special resolution in its General Meeting. The approval of shareholder shall not be required 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.

2. Selling, disposing and leasing of assets amounting more than 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.

8. AMENDMENT TO THIS POLICY

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the rules, regulations, notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

9. DISCLAIMER

In any circumstances, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the newly enacted law, rule, regulation or standard will take precedence over this Policy until such time the Policy is changed to conform to the Law, rule, regulation or standard.

This Policy is lastly amended as per the recommendations of the Audit Committee in meeting held on May 22, 2026 and approved by the Board of Directors at its meeting held on May 22, 2026.

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