SHADOWFAX TECHNOLOGIES LIMITED

POLICY ON DETERMINING MATERIAL SUBSIDIARIES

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1. PURPOSE OF THE POLICY

The Policy for determining material subsidiary companies ("**Policy**") has been framed by Shadowfax Technologies Limited ("**Company**") in accordance with Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and other applicable provisions (including any statutory enactments / amendments thereof).

The purpose of this Policy is determination of Material and Un-listed Material Subsidiary(ies) and ensure governance framework for such subsidiaries.

Also, the Audit Committee have the right to review and subsequently withdraw and/or amend any part of the Policy or the entire Policy, at any time, as it deems fit, or from time to time, to give effect to changes or amendments in the applicable Acts, Rules or Regulations and the decision of the Board in this respect shall be final and binding.

2. The Policy shall come into force with effect from the date the Listing Regulations is effective with respect to the Company.

3. DEFINITIONS

a. "**Audit Committee**" implies the audit committee constituted by the Board of Directors of the Company from time to time under provisions of the Listing Regulations and the Companies Act, 2013.
b. "**Board**" implies Board of Directors of the Company.
c. "**Companies Act**" means the Companies Act, 2013 and the rules made there under.
d. "**Control**" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
e. "**Directors**" implies all the Directors on the Board.
f. "**Independent Director**" or "**ID**" means a director who satisfies the criteria of independence as prescribed under the Companies Act, the rules made thereunder and the Listing Regulations.
g. "**Material Subsidiary**" means unless specified otherwise, a subsidiary whose income or net worth exceeds 10% (Ten) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
h. "**Significant Transaction or Arrangement**" implies 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 unlisted material subsidiary for the immediately preceding accounting year.
i. "**Subsidiary**" shall have the same meaning as defined under the Companies Act.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation and the rules, notifications and circulars made/issued thereunder, as amended, from time to time.

4. OBJECTIVE OF THE POLICY

The objective of this Policy is to determine the:

a. Meaning of Material Subsidiary;

b. Requirement of appointment of ID in certain material subsidiaries, incorporated in India;
c. Restriction on disposal of shares of Material Subsidiary by the Company;
d. Restriction on transfer of assets of Material Subsidiary; and
e. Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

5. IDENTIFICATION OF MATERIAL SUBSIDIARY

The material subsidiary shall be identified in terms of the provisions of Listing Regulations as applicable for each case.

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

6. GOVERNANCE

The Company will ensure the compliance of requirements under Listing Regulations, with respect to the Material Subsidiary(ies) and Un-listed Material Subsidiary(ies).

7. GOVERNANCE FRAMEWORK

a. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
b. The minutes of the Board Meetings of the unlisted subsidiary companies shall be placed before the Board of the Company.
c. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
d. One ID of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
e. For this purpose of this clause notwithstanding anything to the contrary to this Policy and to the Listing Regulations 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 Company and its subsidiaries in the immediately preceding accounting year.
f. 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.
g. The Company shall not without the prior approval of the Shareholders by way of Special resolution:
    i. 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 50% or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal / Company Law Board 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.
    ii. Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary unless the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court / Tribunal / Company Law Board 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

8. DISCLOSURES

This Policy shall be disclosed on the Company's website at https://www.shadowfax.in and a web link thereto shall be disclosed in the Annual Report of the Company.

9. REVIEW OF POLICY

Reference to statutory provisions or regulations shall be construed as meaning and including references to any amendment or re-enactment and any amendments to any statutory provisions or regulations or clarifications applicable to the Policy shall automatically be deemed to be included in the Policy, without any further amendment of the Policy by the Board or relevant committee of the Board.

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

Approved by the Board of Directors at their meeting held on June 23, 2025.