

MAHESHWARI LOGISTICS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

[Pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

(Applicable with Effect from 13th August, 2022)

1. BACKGROUND

Maheshwari Logistics Limited (“Company”) has formulated this policy for determining material subsidiary of the Company in accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), which required every listed company to formulate a policy for determining a “material” subsidiary and Regulation 46(2)(h) of the Listing Regulations which requires each listed company to publish such policy on its website.

This policy for determining a material subsidiary (“Policy”) of the Company has been prepared and adopted in accordance with the Listing Regulations.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“Act”) and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

2. OBJECTIVE OF THE POLICY:

The objective of this Policy is to determine:

- Meaning of Material Subsidiary;
- Requirement of Independent Director in certain Material Unlisted Indian Subsidiaries;
- Restriction on disposal of shares of Material Subsidiary by the Company;
- Restriction on transfer of assets of Material Subsidiary; and
- Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS:

1. **“Board” or “Board of Directors”** shall mean the board of directors of the Company.

2. **“Audit Committee”** means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of the Listing Regulations.
3. **“Control”** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
4. **“Independent Director”** shall have the meaning given to it in the Companies Act, 2013.
5. **“Material Subsidiary”** means a subsidiary will be considered as a “Material Subsidiary” of the Company in case its income or net worth (i.e., paid up capital and free reserves) exceeds threshold percentage as defined in the Listing Regulations, of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.
6. **“Material Unlisted Subsidiary”** means an unlisted Material Subsidiary.
7. **“Significant Transaction and Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed threshold percentage, as defined in the Listing Regulations, of the total revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary company for the immediately preceding accounting year
8. **“Subsidiary”** shall have the meaning given to it in the Companies Act, 2013.
9. **“Unlisted Subsidiary”** means an unlisted Subsidiary of the Company.

4. SIGNIFICANT TRANSACTIONS / ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES

The management should periodically bring to the attention of the Board a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary in the format similar to the format prescribed in the relevant accounting standards for the purpose of disclosure of related party transactions on a consolidated basis,

5. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in a general meeting of its shareholders except in cases where such divestment is made under a scheme of arrangement duly approved by a court/tribunal.

6. RESTRICTION ON DISPOSAL OF ITS ASSETS OF MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company by way of special resolution unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a court/tribunal.

7. OTHER PROVISION RELATED TO UNLISTED SUBSIDIARY/ MATERIAL UNLISTED SUBSIDIARY

- a) The Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary.
- b) The minutes of the Board meetings of the Unlisted Subsidiary shall be placed at the Board meeting of the Company.
- c) The management of the Company shall annually present to the Audit Committee of the Company the list of Material Subsidiaries. The Audit Committee of the Company shall review the same and makes suitable recommendations to the Board.

8. AMENDMENTS

The Board of Directors is authorized to amend or modify this Policy on in whole or in part as and when deemed necessary, to stipulate further guidelines, procedures and rules, from time to time.

9. DISCLOSURE OF THE POLICY ON PUBLIC DOMAIN

This Policy and every subsequent modification, alteration or amendment made thereto, shall also published on the official website of the Company.

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