S J Logistics (India) Limited

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Version	Effective Date	Review Date	Prepared By	Reviewed By	Approved By
1.0	September 02, 2023	September 02, 2023	Secretarial Team	Jeet Shah, Director	Board of Directors
2.0	June 11, 2026	June 11, 2026	Secretarial Team	Jeet Shah, Director	Board of Directors

Limitation and Amendments:

The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

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1. **INTRODUCTION:**

The Board of Directors (the "Board") of S J Logistics (India) Limited (the "Company"), has adopted this policy for determination of “Material Subsidiaries”. The Board may review and amend this policy from time to time. This Policy is formulated in compliance with the requirements of Regulation 16 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”).

The primary objective of this policy is to determine material subsidiaries of the Company.

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.

2. **DEFINITION:**

“Act” means the Companies Act, 2013, together with the rules notified there under, including any statutory modifications or re-enactments thereof for the time being in force.

“Applicable Laws” means any other relevant laws, circulars, regulations, rule as may be amended from time to time.

“Board of Directors” or “Board” means the collective body of the directors of the Company.

“Audit Committee” means the Audit Committee constituted by the Board of the Company.

“Material Subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“SEBI Regulations” or “Regulations” mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

“Subsidiary Company” means subsidiary company as defined under Section 2(87) of the Act.

All terms defined herein shall have the same meaning whether used in the singular or plural form, unless the context clearly requires otherwise.

3. **PURPOSE:**

The purpose of this Policy is to establish criteria for identifying and determining Material Subsidiaries of the Company in accordance with Regulation 16(1)(c) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), ensuring compliance with regulation 24, 24A and 46(2)(h) of SEBI Regulations and maintaining transparency in governance. This Policy aims to provide a structured framework for monitoring the financial and operational significance of subsidiaries, thereby facilitating effective oversight and risk management.

4. SCOPE & APPLICABILITY:

The Subsidiary shall be considered as "Material" if it's income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

In case if a listed holding company has a listed subsidiary, the policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

5. POLICY:

i. The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary.

ii. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting the Board of Directors of the listed Company.

iii. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions or arrangements entered into by the unlisted subsidiary.

iv. The management shall present to the Audit Committee periodically, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

v. At least one independent director on the board of directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

   For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16 of the Listing Regulations, 2015, 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.

vi. The Company shall not without the prior approval of the Shareholders by way of Special resolution:

a. Dispose-off 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% 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 / 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.

b. 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 / 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.

Nothing contained in the above sub-clause shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

vii. The Company’s material unlisted subsidiaries incorporated in India shall undertake secretarial audit by secretarial auditor who shall be a Peer reviewed Company Secretary 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.

viii. The company shall not without the prior approval of shareholders by way of special resolution dilute shareholding below 100% in its wholly owned subsidiary in which the whole or substantially the whole of the undertaking of the company was earlier transferred. The approval of shareholders by way of special resolution as mentioned hereinabove shall be acted upon only if the votes cast in favor of the resolution exceeds the votes if any cast against by the public shareholders.

6. DISCLOSURES:

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

7. LIMITATIONS AND AMENDMENTS:

The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Regulations or Applicable Laws, the latter shall prevail and automatically apply to this Policy. The relevant provisions of the Policy will be amended or modified as needed to ensure consistency with the law.

Note:

The Board of Directors (the "Board") at its Meeting held on 02nd September 2023 approved the Code of Conduct and is effective from 02nd September 2023.

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