



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, CFO	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.

Content

Sr No	Particulars	Page No.
1.	Introduction	2
2.	Definitions	2
3.	Scope & Applicability	3
4.	Policy	3-4
5.	Disclosure	4

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.

The Board had adopted this Policy at its meeting held on 02nd September 2023.

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. Definitions

"**Audit Committee**" or "**Committee**" means Audit Committee constituted by the Board of Directors of the Company.

"**Board of Directors**" or "**Board**" means the Board of Directors of S J Logistics (India) Limited, as constituted from time to time.

"**Company**" means S J Logistics (India) Limited.

"**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) 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 S J Logistics (India) Limited.

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

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

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act, 2013 and rules and regulations made thereunder.

3. 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.

4. Policy

- i. The Audit Committee of the Company shall 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 of the Board of Directors of the 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 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- vi. 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.
- vii. 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.

- 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 favour of the resolution exceeds the votes if any cast against by the public shareholders.

5. Disclosures

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