

**POLICY FOR DETERMINING OF MATERIAL SUBSIDIARY
OF
SICAL LOGISTICS LIMITED**

Date of approval of Board : September 03, 2024

INTRODUCTION

This policy is framed based on Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**Listing Regulations**”). Regulation 16(1)(c) of the Listing Regulations mandates that a listed entity shall have a policy for determining ‘Material Subsidiary’ company.

This policy is framed and adopted by the board of directors of the Company (the “**Board**”) to determine the ‘Material Subsidiary of the Company’ and to provide the governance framework for such subsidiary(ies). In determining whether or not a subsidiary of the Company is or has become a material subsidiary, the Company shall be guided by and follow this policy and the applicable provisions of 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. The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

DEFINITIONS

“**Audit Committee**” means the committee constituted by the Board of the Company in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations.

“**Company**” means Sical Logistics Limited.

“**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and the Listing Regulations.

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

“**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 unlisted subsidiary for the immediately preceding accounting year.

“**Subsidiary**” shall be as defined under the Act and the rules made thereunder.

THE POLICY

1. The Audit Committee shall review the financial statements, in particular, the investments made by the Material Subsidiary of the Company.
2. The minutes of the meetings of the board of directors of the Material Subsidiary company shall be placed at the Board meeting of the Company at regular intervals.

3. The Board shall be provided periodically with a statement of all significant transactions and arrangements entered into by the Material Subsidiary company.
4. The management shall present to the Audit Committee annually, 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.
5. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not. Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16 (1) (c), the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
6. 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.
7. 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 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by 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.
8. Selling, disposing and leasing of assets amounting to 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
9. The management of the Material Subsidiary shall periodically bring to the attention of the Board of the Company, a statement of all Significant Transactions or Arrangements entered into by the Material Subsidiary company.

DISCLOSURES

The Company shall disclose in its Board’s report, details of this policy as required under the Act and the Listing Regulations. This policy shall be disclosed on the Company’s website and a web link thereto shall be provided in the Board’s report and the annual report of the Company.

AMENDMENT

In the event of any conflict between the provisions of this policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this policy.