

MAHINDRA LOGISTICS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION

The Board of Directors of Mahindra Logistics Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

OBJECTIVE

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

The Policy is framed in accordance with the requirement of the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") which shall include any amendments or re-enactment thereof.

DEFINITIONS

"Board of Directors" or **"Board"** means the Board of Directors of Mahindra Logistics Limited, as constituted or re-constituted from time to time.

"Company" means Mahindra 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 Companies Act, 2013 and the SEBI LODR Regulations.

"Policy" means this Policy, as amended from time to time.

"Subsidiary" shall mean a subsidiary as defined under the Companies Act, 2013 and Rules made thereunder.

All other words and expressions used but not defined in this policy, but defined in the LODR Regulations, SEBI Act, 1992, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

POLICY

As per Regulation 16(1)(c) of the SEBI LODR Regulations, a subsidiary shall be considered as “Material” if-

The Income or Net worth of that subsidiary exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year

A list of such Material subsidiaries shall be presented to the Audit Committee annually for its noting.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the 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 or
- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

Except in cases where the divestment / sale / disposal / lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

REQUIREMENT REGARDING UNLISTED SUBSIDIARY

- The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- 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.
- 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 and arrangements entered into by the unlisted subsidiary.

Explanation.-For the purpose of this regulation, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.

REQUIREMENT REGARDING UNLISTED MATERIAL SUBSIDIARY

- a. All 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 with effect from the year ended March 31, 2019.
- b. At least one Independent Director on the Board of the Company shall be a Director on the Board of the unlisted material subsidiary company, incorporated in India or not.

Explanation- For the purpose of this clause b, the term “Material Subsidiary Company” shall mean subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

Any amendment(s) in the statutory/regulatory requirements shall be binding even if not incorporated in this Policy.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the SEBI LODR Regulations / SEBI Act, 1992 / the Securities Contracts (Regulation) Act, 1956 / the Depositories Act, 1996 / Companies Act, 2013 or the rules and regulations made thereunder the provisions of such Acts, rules and regulations or any statutory modification or re-enactment thereto shall prevail over this Policy.

DISSEMINATION OF POLICY

This policy shall be hosted on website of the Company and a web link thereto shall be provided in the annual report of the Company.
