



# **SANGHVI MOVERS LIMITED**

## **POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES**

**APPROVAL DATE:**

**25 MAY 2022**



## SANGHVI MOVERS LIMITED

### POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES

#### A. PREAMBLE:

The Board of Directors of Sanghvi Movers Limited (the 'Company') has adopted the 'Policy for Determination of Material Subsidiaries' (the 'Policy'), in accordance with and to comply with Regulation 16 (1) (c) read with Regulation 24 (1), (5), (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the requirements stated therein regarding such material subsidiaries.

#### B. COMMENCEMENT:

The Policy shall come into existence upon the approval by the Board of Directors of Sanghvi Movers Limited i.e., with effect from 25 May 2022.

#### C. OBJECTIVE:

The Objectives of this Policy is to determine:

- (i) Material Subsidiary;
- (ii) Requirement of appointment of Independent Director as Director on the Board of a material unlisted subsidiary;
- (iii) Restriction on disposal of shares of a material subsidiary by the Company;
- (iv) Restriction on disposal of assets of a material subsidiary;
- (v) Disclosure requirements under the Listing Regulations and any other laws, regulations as may be applicable to the Company.

#### D. DEFINITIONS:

'Act' means the Companies Act, 2013 including any amendments as may be applicable from time to time and rules made thereunder;

'Audit Committee' means the committee constituted by the Board of the Company under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



'Board' refers to the Board of Directors of Sanghvi Movers Limited.

'Consolidated Income' means the total income of the Company and its subsidiaries.

'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 shareholders agreements or voting agreements or in any other manner;

'Holding Company' is as defined under clause 2(46) of the Act;

'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 rules made thereunder and the Listing Regulations.

'Material subsidiary' shall mean a subsidiary whose net income or net worth exceeds ten per cent of the consolidated income or net worth respectively, of the listed company and its subsidiaries in the immediately preceding accounting year.

'Net worth' shall mean the net worth as computed based on the last audited financial statements of the Company.

'Subsidiary Company' or 'Subsidiary' is as defined under clause 2(87) of the Act;

'Listing Regulations' means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Any other term not defined herein, shall have the same meaning described to it under the Act, the SEBI Listing Regulations, or any other relevant law / regulation applicable to the Company.

**E. DETERMINATION OF MATERIAL SUBSIDIARY:**

A subsidiary shall be considered as 'Material Subsidiary' if the income or net worth of the subsidiary exceeds ten per cent of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

**F. IMPLEMENTATION AND APPROVAL PROCESS:**

The Company shall nominate at least one Independent Director on the Board of Directors of Sanghvi Movers Limited as a Director on the Board of Directors of the unlisted Material Subsidiary, whether incorporated in India or not and 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.

The Company shall follow such governance procedures in relation to Subsidiaries as may be outlined in the Listing Regulations and the Act from time to time.

The Company shall not:

- a. dispose off shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than fifty percent / cease the exercise of control over the Material 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 a Court/Tribunal, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved; and
- b. sell, dispose and/or lease assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year without 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 Code and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved.



The Management of the Company shall monitor and ensure that as and when any of the subsidiary is determined as a Material Subsidiary the same shall be intimated to the Audit Committee. The Audit Committee shall review the same and make suitable recommendations to the Board to ensure compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard. The Company shall disclose events / information pertaining to its Material Subsidiary in line with the provisions of Regulation 30 of the Listing Regulations.

**G. DISCLOSURE:**

As prescribed under the Listing Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

**H. AMENDMENTS:**

This Policy may be amended by the Board from time to time to be in line with any amendments made to the Listing Regulations, the Act and such other guidelines issued by SEBI.

Any subsequent amendment/modification in the Listing Regulations or the Act or any other applicable laws, direction or clarification by SEBI, provision of this Policy shall be read and implemented in context of such amended/modified or clarified positions.

**I. SCOPE AND LIMITATION:**

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations or the Act or any other relevant legislation/ regulation applicable to the Company, the provisions of the SEBI Listing Regulations or the Act or such other relevant law / regulation shall prevail over this Policy.

Version	Particulars	Date	Approved by
1.0	New Policy adopted	25.05.2022	Board of Directors

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