

# **MATERIAL**

# **SUBSIDIARY**

# **POLICY**

## 1. Introduction

In accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Policy outlines the manner in which the Company will identify its **“material” subsidiary** and also prescribes certain governance requirements which need to be adhered to by the Company with respect to management of its material subsidiary.

## 2. Definitions

- a) In this Policy unless the context otherwise requires
- (i) **“Act”** means the Companies Act, 2013 and rules issued thereunder.
  - (ii) **“Audit Committee”** means the audit committee constituted by the Board of the Company from time to time as required in accordance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015 and as amended;
  - (iii) **“Board”** means the Board of Directors of the Company;
  - (iv) **“Company”** means **Madhuri Exports Limited**;
  - (v) **“Control”** shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (vi) **“Independent Director”** means a Director of the Company, not being in whole-time employment 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 SEBI (LODR) Regulations, 2015;
  - (vii) **“SEBI (LODR) Regulations, 2015”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
  - (viii) **“Significant Transaction or Arrangement”** means any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten per cent) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of an unlisted subsidiary for the immediately preceding accounting year;
  - (ix) **“Subsidiary”** means a Subsidiary as defined under Section 2(87) of the Act;
  - (x) **“Unlisted Subsidiary”** means a Subsidiary of the Company whose shares are not listed on any of the stock exchanges.
- b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and the SEBI (LODR) Regulations, 2015, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

### **3. Criteria for Determining Material Subsidiaries**

“Material Subsidiary” means, except where otherwise specifically provided, a subsidiary, whose turnover or net worth exceeds 10% (ten per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

### **4. Governance Requirements**

- a) As per regulation 24(1) SEBI(LODR), 2015, the Company shall appoint at least 1 (one) of its Independent Directors on the Board of Directors of its unlisted Material Subsidiary, whether incorporated in India or not and whenever comes under the purview of material subsidiary under the regulation. For the purpose of this para, the term ‘Material Subsidiary’ shall mean a subsidiary whose turnover or net worth exceeds 20% (twenty per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- b) The Audit Committee shall review the financial statements of, and, in particular, investments made by the Unlisted Subsidiary.
- c) The Board shall review the minutes of meetings of the Board of Directors of the Unlisted Subsidiary which shall be placed at the meeting of the Board.
- d) The management of the unlisted subsidiary shall periodically bring to notice of the Board a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary.
- e) The Company shall disclose all events with respect to its Subsidiaries which are material for the Company.
- f) Every material subsidiary incorporated in India shall undertake Secretarial Audit as referred under Section 204 of the Act by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the secretarial audit report shall be annexed with the annual report of the Company.

Explanation:

(i) “Secretarial Auditor” means a Company Secretary in Practice or a firm of Company Secretary(ies) in practice appointed to conduct the Secretarial Audit.

(ii) “Peer Reviewed Company Secretary” means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India(ICSI).

### **5. Disposal of Material Subsidiary**

- a. The Company shall not without prior approval of the shareholders of the Company by way of a special resolution passed in a general meeting:
  - (i) dispose shares held by the Company in its Material Subsidiary which shall result in reduction of the Company’s shareholding in the Material Subsidiary (either individually or together with

its other subsidiary) to less than or equal to 50% (fifty per cent) or the Company ceasing to exercise control over the Material Subsidiary; or

- (ii) sell, dispose or lease assets of the Material Subsidiary which amount to more than 20% (twenty per cent) of the assets of the Material Subsidiary on an aggregate basis during a financial year.

Provided, shareholders' approval by way of a special resolution as aforesaid will not be required, if such disinvestment or sale, disposal or lease of assets:

- (a) is under a scheme of arrangement formulated under the Act and duly approved by the National Company Law Tribunal; or
  - (b) is pursuant to a resolution plan is formulated and approved under section 31 of the Insolvency and Bankruptcy Code, 2016, and the approval of the resolution plan is notified to the concerned stock exchanged within one day of the resolution plan being approved.
- (iii) If such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company, prior approval of the shareholders of the Company by way of special resolution is not required.

## **6. Disclosure**

This Policy shall be uploaded on the website of the Company and a web link thereto shall be provided in the annual report of the Company, to the Stock Exchanges and other authorities, whenever required.

## **7. Review & Amendment of the Policy**

The Board shall review the Policy from time to time in accordance with requirements of, and to ensure compliance with, the provisions of the SEBI (LODR) Regulations, 2015 and the Act.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

***The aforesaid policy has been approved by the Board of Directors of the Company in its meeting held on 16<sup>th</sup> January, 2026.***