

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

`MAXHEIGHTS INFRASTRUCTURE LIMITED

(Last amended date: February 12, 2022)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Introduction

The Board of Directors (the "Board") of Maxheights Infrastructure Limited (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

This Policy is effective from October, 2014, and being amended from time to time by the Company. This Policy has been formulated in accordance with Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") as applicable and amended from time to time.

2. Policy Objective

To lay down the criteria for determining and dealing with Material Subsidiaries of the Company and to provide the governance framework for such Subsidiaries.

3. Definitions

"Audit Committee" or "Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under the provisions of Listing Regulations and the Companies Act, 2013.

"Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.

"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 Listing Regulations.

"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.

"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 a subsidiary as defined under Section 2(87) of the Companies Act, 2013.
Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, Listing Regulations or any other applicable law, rules or regulations.

4. Policy

- a. At least one Independent Director of the Company shall be a director on the Board of an unlisted Material Subsidiary, whether incorporated in India or not.

For the purposes of this provision, material subsidiary shall mean a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- b. The Audit Committee of Board of Directors of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary company.
- c. The minutes of the meetings of the Board of Directors of the unlisted Subsidiary company shall be placed before the Board of Directors of the Company.
- d. The management of the unlisted Subsidiary shall, on a periodical basis, bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted Subsidiary company.
- e. The management shall present to the Audit Committee, the list of all Subsidiaries together with the details of the materiality defined herein on a periodic basis. The Audit Committee shall review the same and make suitable recommendations to the Board.
- f. The Company and its unlisted Material Subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report, given by a company secretary in practice with the annual report of the Company.

5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution in a general meeting, shall not:

- a. dispose off shares in its Material Subsidiaries 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved;
- b. sell, dispose off or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year 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 recognized stock exchanges within one day of the resolution plan being approved.

6. Disclosures

This Policy shall be disclosed/published on the Company's website, www.maxheights.com and adequate disclosures as provided in the Listing Regulations be made in the Annual Report.

7. Review

This Policy shall be reviewed by the Board of Directors as and when required or at least once in three years and updated accordingly.

8. Limitation and Amendments

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or Listing Regulations or any other statutory enactments or rules, the provisions of such Act or Listing Regulations or statutory enactments or rules shall prevail over this Policy.

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, such amendment(s), clarification(s), circular(s) etc. shall prevail upon the relevant provisions of the Policy and this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s) etc.