



Lancer Container Lines Ltd.

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. BACKGROUND:

Explanation to regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) requires every listed company to formulate a policy for determining a “material” subsidiary and Regulation 46(2)(h) of the Listing Regulations requires each listed company to publish such policy under a separate section on its website. This policy for determining a material subsidiary (“Policy”) of Lancer Container Lines Limited (the “Company”) has been adopted at the Board Meeting held on 12/08/2024, in accordance with the Listing Regulations. The Board of Directors of the Company may amend this policy from time to time provided such amendments are in line with the Listing Regulations.

2. DEFINITIONS:

- a) “Board” or “Board of Directors” shall mean the Board of Directors of the Company.
- b) “Company” means Lancer Container Lines Limited.
- c) “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 shareholder agreements or voting agreements or in any other manner.
- d) “Independent Director/Public Interest Director” shall have the meaning given to it in the Companies Act, 2013 and Listing Regulations, 2015 and SEBI (Securities Contracts) (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.
- e) “Listing Regulations” shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SEBI (Listing Regulations).
- f) “Material Subsidiary” means a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth, respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.
- g) “Material Unlisted Subsidiary” means an unlisted Material Subsidiary.
- h) “Policy” means this Policy for Determining Material Subsidiaries of the Company.
- i) “Significant Transaction and Arrangement” means 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.

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j) "Subsidiary" shall have the meaning given to it in the Companies Act, 2013.

k) "Unlisted Subsidiary" means an unlisted Subsidiary of the Company.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 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.

3. SIGNIFICANT TRANSACTIONS / ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES

The management of the unlisted subsidiary should periodically bring to the attention of the Board of the directors of the company, a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary Company.

A transaction or arrangement shall be considered significant if it exceeds or is likely to exceed 10 percent of total revenues or total expenses or total assets or total liabilities, as case may be, of the unlisted subsidiary for the immediately preceding financial year

4. APPOINTMENT OF INDEPENDENT DIRECTOR

At least one (1) independent director of the listed entity is required to be a director on the board of an unlisted material subsidiary, whether incorporated in India or not (with respect to this provision, material subsidiary" shall mean a 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).

5. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The company shall obtain prior approval of shareholders by the way of Special resolution if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) results in reduction of its shareholding, to less than or equal to 50 percent or the company ceases the exercise of control over such subsidiary;

Such approval shall not require, if the disinvestment is -

1. Under a scheme of arrangement duly approved by a Court/Tribunal, or
2. 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

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6. RESTRICTION ON DISPOSAL OF ITS ASSETS OF MATERIAL SUBSIDIARY

The company shall obtain prior approval of shareholders by the way of Special resolution if any sale, disposal and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year;

Such approval shall not require, if such sale, disposal, lease of assets is -

1. Under a scheme of arrangement duly approved by a Court/Tribunal, or
2. 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

7. SECRETARIAL AUDIT

All listed entities and their Indian unlisted material subsidiaries are required to undertake a secretarial audit and annex such reports to the annual report of the listed entity.

8. OTHER PROVISION RELATED TO UNLISTED SUBSIDIARY/ MATERIAL UNLISTED SUBSIDIARY

- a) The Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary.
- b) The minutes of the Board meetings of the Unlisted Subsidiary shall be placed at the Board meeting of the Company.
- c) The management of the Company shall annually present to the Board the list of Material Subsidiaries.

9. WEBSITE

The Policy shall be disclosed on the website of the company.