



POLICY ON MATERIAL SUBSIDIARY

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1. Purpose:

The Policy for determining ‘material’ subsidiary companies has been framed in accordance with the provisions of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [‘Listing Regulations’].

2. Scope:

This policy shall be used to determine the Material Subsidiaries of the Company and to provide the corporate governance framework for such subsidiaries.

3. Definitions:

“**Act**” means Companies Act, 2013 including any statutory modification or reenactment thereof.

“**Audit Committee or Committee**” means Audit Committee constituted by the Board of Directors of Maxwell Engineering Solutions Limited under the provisions of Listing Regulations, 2015 and the Companies Act, 2013, from time to time.

“**Board of Directors**” or “**Board**” means the Board of Directors of Maxwell Engineering Solutions Limited, as constituted from time to time.

“**Company**” means Maxwell Engineering Solutions Limited.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.

“**Holding Company**” means Holding Company as defined under Section 2(46) of the Act.

“**Independent Director**” means an Independent Director referred to in Section 149(6) of the Companies Act, 2013, and / or Regulation 16(1)(b) of the Listing Regulations, 2015, as amended from time to time.

“**Material Subsidiary**” shall mean a subsidiary, whose turnover or net worth exceeds ten percent (10%) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“**Material Unlisted Subsidiary**” shall mean an unlisted subsidiary, whose turnover or net worth exceeds ten percent (10%) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“**Net worth**” means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.

“**Policy**” means this Policy on Material Subsidiaries and as may be amended from time to time.

“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 subsidiary for the immediately preceding accounting year.

“Subsidiary” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013.

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or rules and regulations made thereunder, or any other relevant legislation / law applicable to the Company. In case of any conflict between the law and the policy, the law shall prevail.

4. Identification of Material Subsidiary:

The subsidiary shall be considered as **“Material”** if its turnover or net worth exceeds 10% (ten percent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

5. Corporate Governance Framework of Material Subsidiary:

At least one independent director on the Board of Directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company.

The Board of Directors of the Company shall periodically review the minutes of the meetings of the Board of Directors of the unlisted subsidiary.

The management of the unlisted subsidiary shall periodically bring into the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

6. Disposal of Shares in its Material Subsidiary:

The Company shall not:

(I) Dispose of shares in its material subsidiary resulting of the shareholding (either on its own or together with other subsidiaries) to less than (or equal to) **fifty percent** or cease the exercise of control over the subsidiary without passing a special resolution in General Meeting except in cases where such divestment is made under a scheme 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.

(II) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require 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 recognized stock exchanges within one day of the resolution plan being approved.

Nothing contained in this subclause (ii) shall be applicable if such sale, disposal or lease of assets is between two wholly owned subsidiaries of the Company.

7. Secretarial Audit and Secretarial Compliance Report:

Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, 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.

8. Disclosures:

This Policy shall be disclosed on the Company’s website (www.maxwells.in) and a web link thereto shall be disclosed in the Annual Report of the Company.

9. Amendments to the Policy:

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not 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.

Version History:

Sr. No.	Version	Created by	Approved By	Approval Date
1	1.0	Secretarial	Board of Directors	July 26, 2025.

