

Jai Corp Limited

Policy for Determining Material Subsidiary

Preamble:

Pursuant to the provisions of explanation to Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'the Listing Regulations'**) as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 the Board of Directors of a listed company is required to formulate a policy for determining 'material' subsidiary.

Pursuant to the requirements stated above and in Regulation 24 of the Listing Regulations, the present policy is framed.

The words and phrases used herein shall, unless the context otherwise admits, have the meaning assigned to them under the Companies Act, 2013 and/or the Listing Regulations.

Title:

This policy shall be called "**Policy for Determining Material Subsidiary**".

The Policy:

A subsidiary shall be termed as 'material' if its turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

Conditions relating to a Subsidiary/ Material Subsidiary:

- The Company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease to exercise control of such subsidiary without obtaining approval of the shareholders by way of 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved

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- The Company will not sell, dispose and lease assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without obtaining prior approval of shareholders by way of special resolution in its general meeting.

However, if such divestment/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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved, prior approval of shareholders is not required.

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

Explanation- the term material subsidiary, for this purpose, shall mean a subsidiary whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the Company a statement of all significant transactions and arrangements entered by the unlisted subsidiary.

Explanation- the term "significant transaction or arrangement", for this purpose, 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.

- The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed before the meeting of the board of directors of the Company.
- The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

Applicability:

This Policy, duly approved by the Board of Directors on, 14th February, 2025, shall be applicable with effect from the 14th February, 2025 and any future amendments / modifications shall take effect from the date stated therein and supersedes the Policy approved by the Board on 2nd November 2018 .

The Policy is to be disclosed on the website of the Company and a web link of the same will be provided in the Annual Report.

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