

JSW Infrastructure Limited

**POLICY FOR DETERMINATION  
OF MATERIAL SUBSIDIARIES**

## 1. Preface

Policy Title	Policy for determination of Material Subsidiaries.
Version Number	1.0
Effective Date	01.02..2023
Authorised by	Board of Directors
Number of Revisions	Nil
Last Revised Date	

In terms of Regulation 16 (c) and 46 2(h) and Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("**LODR Regulations 2015**"), every listed company has to formulate a policy for determining 'material' subsidiaries and such policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company. Accordingly, the Board of Directors (the "Board") of JSW Infrastructure Limited (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries in terms of the "LODR Regulations 2015". The policy may be reviewed and amended from time to time.

### Key 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 the LODR Regulations 2015 and the Companies Act, 2013.

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

**"Company"** means a company incorporated under the Companies Act, 2013 or under any previous company law.

**"Financial Year"** means the period ending on the 31st day of March every year, and where a Company has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up (Section 2 (41) of the Company Act 2013).

**"Independent Director"** means a director of the Company, not being an executive/whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence under the Companies Act, 2013 and the LODR Regulations 2015.

**"Material Subsidiary"** shall mean 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.

**"Net Worth"** means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per

the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation (Section 2 (57) of the Company Act 2013).

**“Policy”** means Policy for determination of Material Subsidiaries.

**“Subsidiary”** shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

**“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.

1. The Company shall classify the subsidiaries of the company as ‘material subsidiary’ in the following cases and at the following intervals:
  - i. At the time of a company or body corporate becoming a subsidiary by way of making investments or by any mode.
  - ii. On completion of each financial year.
2. Atleast one Independent Director of the Company shall be a director on the Board of the Material unlisted subsidiary company.
3. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on a quarterly basis.
4. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on a quarterly basis.
5. The management shall on a half yearly 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.

#### **Disposal of Material Subsidiary:**

The Company, without the prior approval of the members by Special Resolution, shall not:

- a. dispose of shares in its Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b. cease the exercise of control over the Subsidiary; or
- c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary

In cases where such divestment/ sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, no such special resolution of the shareholders will be required to be passed.

#### **Compliance**

The policy shall be uploaded on the website of the Company at <https://www.jsw.in/infrastructure/jsw-infrastructure-policies> and a web link thereto shall be provided in the Annual Report of the Company, as per the provisions of laws in force.