



# **JINDAL WORLDWIDE LIMITED**

## **Policy for determination of Material Subsidiary**

**As Amended w.e.f. 1<sup>st</sup> April 2024**

Pursuant to the Companies Act, 2013 & the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof

**Introduction:**

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.

The Policy with regard to the determination of Material Subsidiaries has been formulated in pursuance of Regulation 16(c) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and subsequent amendments thereof.

The Board of Directors (the "Board") of Jindal Worldwide Limited (the "Company" or "JWL") at its meeting held on 16<sup>th</sup> September, 2014 has adopted the policy and procedures with regard to determination of Material Subsidiaries ("the Policy") and same was revised by the Board in its Meeting held on 22nd June, 2021.

Further, pursuant to the various amendments in the Listing Regulations from time to time, the Board of Directors on \_\_ April 2024 have approved for an amendment in the Policy in supersession of the previous Policy to make it in line with the amended Regulations and the same shall be effective w.e.f. 1<sup>st</sup> April, 2024.

**Policy Objective:**

The objective of this Policy is to determine:

- i. Meaning of Material Subsidiary;
- ii. Restriction on disposal of shares of Material Subsidiary by the Company;
- iii. Restriction on transfer of assets of Material Subsidiary; and
- iv. Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company

**Definitions:**

- a) **"Act"** means Companies Act, 2013 and includes notifications, circulars & clarifications as Issued /amended by the Ministry of Corporate Affairs, from time to time.
- b) **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations.
- c) **"Board of Director"** or **"Board"** means the Board of Directors of Jindal Worldwide Limited, as constituted from time to time.
- d) **"Company"** means the Jindal Worldwide Limited and all its offices.
- e) **"Control"** includes 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 shareholders agreements or voting agreements or in any other manner:

Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position.

- f) **"Independent Director"** means a director of the Company, who satisfies the criteria of Independence and appointed pursuant to Regulation 16(b) of the Listing Regulations and Section 47 of the Act.

- g) **“Policy”** means Policy for determining Material Subsidiaries.
- h) **“Material Non Listed Indian Subsidiary”** shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.
- i) **“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.
- j) **“Net Worth”** means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013;
- k) **“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.
- l) **“Subsidiary”** shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

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

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

- a. dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent; **or**
- b. ceases 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 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.

#### **Provision Related to unlisted Subsidiary/ Material unlisted Subsidiary**

1. At least one **Independent Director** of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
2. The **Audit Committee** of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
3. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed at the meeting of the board of directors of the Company.
4. 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.
5. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and

make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.

#### **Disclosures**

The policy shall be uploaded on the website of the Company at [www.jindaltextiles.com](http://www.jindaltextiles.com) and link of the same shall be placed in the Annual Report of the Company, as per the provisions of laws in force.

#### **Administration and Review of the Policy**

The Board of the Company on the recommendation of the Audit Committee shall have authority to amend or modify this policy to align with any amendments made to the Act and rules made thereunder or Listing Regulations or applicable Accounting Standards or such other circulars, SOP, guidelines or regulations issued by the SEBI, Stock Exchanges(s) or any other statutory authority.

In the event of any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws then this policy shall stand modified to the extent applicable.

In the event of inconsistency of this policy with any statutory provisions, then the relevant provisions of such applicable law shall prevail upon the provisions of this Policy.

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