



JINDAL STAINLESS (HISAR) LIMITED

CIN: L27205HR2013PLC049963

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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

(Adopted by the Board of Directors on 2nd November, 2015 and

amended on 30th October, 2018)

1. BACKGROUND:

Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“Listing Regulations”) stipulates as under:-

The company shall 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.

2. OBJECTIVE:

This Policy aims to determine the material subsidiaries of the Company and provide a governance framework for such material subsidiaries as per the requirements of Listing Regulations.

3. DEFINITIONS:

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“Act”) and the Rules, Notifications and Circulars made/issued there under, as amended, from time to time.

4. POLICY REQUIREMENTS:

- a. At least One Independent Director of the Company shall be a director on the Board of Directors of Material unlisted Subsidiary, whether incorporated in India or not..
- b. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the non-listed Subsidiary Company.
- c. The minutes of the Board meetings of the unlisted Subsidiary Companies shall be placed before the Board of the Company.

- d. The management shall, on annual 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.

Explanation.- For the purpose of this regulation, the term “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.

- e. The Company shall in the first quarter of every financial year, determine whether any of its subsidiary falls under the criteria for Material Subsidiary and Material non-listed Subsidiaries as defined above. In case of the Subsidiary falls under such criteria, the same shall be reported with necessary compliance requirements to the Board for its noting and necessary directions.

5. DISPOSAL OF MATERIAL SUBSIDIARY

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

- a. Dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% of the paid up share capital of such Material Subsidiaries; or
- b. Cease to exercise control over the subsidiary; or
- c. Sell, dispose or lease the assets amounting to more than 25% of the assets of the material Subsidiary.

Unless the above is made under a scheme of arrangement duly approved by a Court/Tribunal.

6. LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this policy.

7. DISCLOSURES

- a. The compliance with the requirements of this Policy shall be mentioned in the quarterly compliance report submitted to the Stock Exchanges.

- b. This Policy for determining material subsidiaries shall be uploaded on the website of the Company at www.jshlstainless.com and a web link thereto shall be provided in the Annual Report of the Company.

8. REVIEW:

This Policy may be reviewed or amended by the Board of Directors of the Company in accordance with the statutory requirements.
