



**POLICY ON DETERMINING MATERIAL SUBSIDIARY – JAIN IRRIGATION SYSTEMS LIMITED**

**AMENDED AND APPROVED ON 23<sup>rd</sup> July, 2024**

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**OWNER OF THE POLICY & CHIEF COMPLIANCE OFFICER: MR. A.V. GHODGAONKAR**

## POLICY ON DETERMINING “MATERIAL” SUBSIDIARIES

### 1. INTRODUCTION:

The Board of directors (the “**Board**”) of Jain Irrigation Systems Ltd. (the “**Company**”) has adopted the following policy and procedures with regard to determination of “**material subsidiaries**” as defined below. The Board may review and amend this policy from time-to-time.

This policy is framed pursuant to the applicable law and where this policy is inconsistent in any manner with the Applicable Law; the said Law shall apply and override the corresponding provisions of this Policy.

### 2. POLICY OBJECTIVE:

The objective of the policy is to determine the “**material subsidiaries**” of the Company and to provide the governance framework for such subsidiaries.

### 3. DEFINITIONS:

- “**Applicable Law**” shall mean the Companies Act, 2013, and the LODR Regulations as amended from time to time.
- “**Audit Committee or Committee**” means “audit committee” constituted by the Board of directors of the Company, from time-to-time, under provisions of the Applicable Law.
- “**Board of Director**” or **Board** means the Board of directors of Jain Irrigation Systems Ltd., as constituted from time-to-time.
- “**Chief Financial Officer**” (“**CFO**”) means a person appointed as the Chief Financial Officer of the Company.
- “**Company**” means a company incorporated under the Companies Act, 2013 or under any previous Company law. Unless the context requires otherwise, Company shall mean Jain Irrigation Systems Limited.
- “**Independent Director**” means a director of the Company, who satisfies the conditions of being an Independent Director as laid down in the Applicable Law.
- “**LODR Regulations**” shall mean the SEBI (Listing Obligations and Disclosure





Requirements) Regulations, 2015 as amended up to date.

- “Policy” means this policy on material subsidiary.
- “Material Non-Listed Indian Subsidiary” or “Subsidiary” means an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20 per cent of the consolidated income on net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.
- “Significant transaction or arrangement” means any individual transaction or arrangement that exceeds or is likely to exceed such amount as determined under the Applicable Law for such purposes.
- “Subsidiary” has the meaning as assigned to it under the Companies Act, 2013 and the rules framed thereunder.

#### 4. POLICY:

1. A subsidiary shall be a **material subsidiary**, if it is deemed so as per Applicable Law and/or if any of the following conditions are satisfied:
  - a) In which the investment of the company/proposed investment, exceeds 20 per cent of its consolidated net worth as per the audited balance sheet of the immediately previous financial year; or
  - b) If the subsidiary has generated 20 per cent of the consolidated income of the Company during the previous financial year.
2. At least one Independent Director on the Board of Directors of the Company shall be a director on the Board of directors of a material unlisted Indian subsidiary company.
3. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
4. The minutes of the Board meetings of the unlisted subsidiary companies shall be placed at the Board meeting of the Company.
5. The CFO should periodically 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.



6. The CFO shall present to the Audit Committee annually the list of such material subsidiaries together with the details of the material transactions as defined under Applicable Law. 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.
7. Furthermore, where the Company has a listed subsidiary which is itself is a holding Company, the above clauses of policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

## **5. DISPOSAL OF MATERIAL SUBSIDIARY:**

The Company, without the approval of the members by special resolution in its general meeting, 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% (fifty per cent); or
- b. ceases the exercise of control over the material subsidiary.

The Company, without the prior approval of the members by special resolution, shall not sell, dispose or lease the assets amounting to more than 20% (twenty per cent) of the assets of the material subsidiary on an aggregate basis during a financial year or such percentage as per Applicable Law as amended from time to time.


However, where a divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, the aforesaid restrictions shall not apply.

## **6. DISCLOSURES:**

The Company shall disclose the Policy on the Company's website and a web link thereto shall be provided in the annual report.

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For Jain Irrigation Systems Ltd.

  
A V Ghodgaonkar

**Company Secretary**

**Date:** 23<sup>rd</sup> July, 2024

