



**POLICY FOR DETERMINING MATERIAL SUBSIDIARY
OF
JANA CAPITAL LIMITED**

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Approver	Board of Directors
Confidentiality Level	Internal

1. Introduction

As per the Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI Listing Regulations”], the Listed entity is required to frame a policy for determining material subsidiary of the Company. The Company came under the ambit of High value debt listed Company from May 2023. This policy becomes effective only the regulation becomes applicable and the paid up capital and net worth criteria are met as on the last day of the previous year.

2. Purpose

The objective of the policy is to determine the material subsidiaries of the Company in accordance with the provisions of the Listing Regulations.

3. Authority

This Policy has been adopted by the Board of Directors of Jana Capital Limited (‘the Company’). The Policy shall also be displayed on the website of the Company and a link thereto shall be provided in the Annual Report.

4. Identification of Material Subsidiary

A subsidiary shall be considered as 'Material Subsidiary' if –

- The net-worth of the subsidiary exceeds 10% of the consolidated net-worth of the Company in the immediately preceding accounting year, or
- income of the subsidiary exceeds 10% of the consolidated income of the Company in the immediately preceding accounting year.

5. Governance Framework

As per Reg 15, the exemption is applicable for the following Regulations: 17, 53[17A,] 18, 19, 20, 21,22, 23, 24, [24A,] 25, 26, 27 and clauses (b) to (i) 55[and (t)] of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V

- a) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- b) The minutes of the meeting of the board of the unlisted subsidiary company shall be placed before the Board of the Company.
- c) The Company and every material unlisted subsidiary of the Company incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be prescribed.
- d) The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
Explanation - 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) At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of an unlisted material subsidiary whether incorporated in India or not.

Explanation – For this clause - the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The requirements mentioned above in point a, b and c, shall be applicable whenever the paid-up share capital of the Company is more than Rs. 10 crores and Net-worth exceeds Rs. 25 crores on the last day of the previous year as per regulation 15(2) of Listing Regulations.

6. Disposal of Material Subsidiary

- **Restriction on disposal of shares**

The Company shall not 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 fifty percent or cease the exercise of control over the subsidiary without passing a 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 ('Insolvency Code') such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- **Restriction on disposal of Assets**

Selling, disposing and leasing of 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.

7. Review & Amendment

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board of Directors has the right to change/amend the policy as it may be expedient taking into account the law for the time being in force.

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