Jainam Broking Limited

(CIN: U67120GJ2003PLC043162)

POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES OF THE COMPANY

OVERVIEW

Regulation 16(1)(c) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), requires a listed company to frame a policy for determining a "material" subsidiary, which shall be hosted on the website of the Company and the web link of the same is to be disclosed in the section titled as 'Corporate Governance Report' of the Annual Report of the Company.

This policy shall be governed by the provisions of the SEBI Act, Rules and Regulations made there under and all other applicable laws for the time being in force.

The Board of Directors (the "Board") of Jainam Broking Limited (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.

OBJECTIVES

This Policy lays down the criteria for determining and dealing with material subsidiary of the Company and disclosure thereof as required under the Listing Regulations. The Policy also intends to ensure governance of Material Subsidiary Company by complying with directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions/arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiary by the Company.

DEFINITIONS

"Act" means Companies Act, 2013 and Rules prescribed thereunder, including any statutory amendment or modification thereof.

"Audit Committee" means the committee constituted by the Board of Directors, from time to time, under the provisions of Section 177 of the Companies Act, 2013 and Listing Regulations.

"Board of Directors" or the "Board" shall mean the Board of Directors of the Company, as constituted from time to time;

"Control" means Company shall include 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 shareholder agreements or voting agreements or in any other manner.

"Independent Director" means a non- executive Director of the Company, other than a nominee Director and who is neither a promoter nor belongs to the promoter group of the Company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations.

"Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto.

"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 subsidiary in the

immediately preceding accounting year.

"SEBI Regulations" means the regulations made by SEBI in accordance with the Securities and Exchange Board of India Act, 1992 (the SEBI Act).

"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;

"Subsidiary" means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act,
2013.

"Unlisted Material Subsidiary" means an unlisted subsidiary, incorporated in India, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re- enactment thereto, as the case may be.

COMPLIANCES UNDER REGULATIONS

In terms of Regulation 24 of Listing Regulations, the Company shall make the following compliances in connection with the subsidiary: -

- **Independent Director on the Board of Unlisted Material Subsidiary company**
  At least one Independent Director on the Board of the Company shall be a Director on the Board of the unlisted Material Subsidiary company whether incorporated in India or not.

- **Financial Statement of Unlisted Subsidiary company**
  The Audit Committee of the Company shall also periodically review the financial statements, in particular, the investments made by the unlisted subsidiary.

- **Minutes of Unlisted Subsidiary company**
  The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.

- **Significant Transactions/Arrangements of Unlisted Subsidiary Company**
  The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all "Significant Transactions or Arrangements" entered into by the unlisted subsidiary.

  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, the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

- **Restriction on Disposal of Shares of Material Subsidiary by the Company**

  The Company shall not dispose of the 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 50% or cease to exercise 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- **Restriction on Disposal of Assets of Material Subsidiary**

  The Company shall not sell, dispose of or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without the prior approval of its 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.

- **Secretarial Audit of Material Subsidiary**

  Every Material unlisted subsidiary incorporated in India in India shall undertake secretarial audit and the secretarial audit report shall be annexed with the annual report of the Company.

REPORTING AND DISCLOSURE

As approved by revised Regulation 46(2)(h) of the Listing Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

COMPLIANCE RESPONSIBILITY

The Company Secretary and / or the Compliance Officer shall ensure compliance of this Policy and shall have the power to ask for any information or clarifications from the management in this regard. The Company Secretary and / or the Compliance Officer shall monitor and ensure that as and when any of the subsidiary is determined as a Material Subsidiary, the same shall be intimated to the Audit Committee. The Audit Committee shall review the same and make suitable recommendations to the Board to ensure compliance with the Listing Regulations in this regard.

This Policy may be amended by the Board from time to time to be in line with any amendments made to the Listing Regulations, the Act and such other guidelines issued by SEBI.

DISCLOSURE OF EVENTS OR INFORMATION

The Company shall disclose all events or information with respect to subsidiary, which are material for the Company as per Regulation 30(9) of the Listing Regulations.

REVIEW / AMENDMENT

The Board of Directors can amend this Policy, as and when deemed fit based on the recommendation of Audit Committee. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

SCOPE AND 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 and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

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This Policy was approved by the Board of Directors at its Meeting held on