

JAY SHREE TEA & INDUSTRIES LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Introduction

This policy intends to determine the material subsidiaries of the Company. This policy also stipulates the governance procedures with regard to material subsidiaries so determined. This policy substitutes the current Material Subsidiary Policy of the Company. The provisions of the listing agreement are being substituted by the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

Definitions

"Act" means Companies Act, 2013 & rules made thereunder

"Audit Committee" or "Committee" means Committee constitute by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Board" means Board of Directors of the Company

"Company" means Jay Shree Tea & Industries Limited and all its offices

"Independent Director" means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies all criteria for independence under the Companies Act, 2013 and the SEBI Listing Regulations.

"Material Subsidiary" means a subsidiary the income or net worth exceeds 20 per cent of the consolidated income or consolidated net worth in the immediately preceding accounting year.

"Significant Transaction or Arrangement" 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

"Unlisted Material Subsidiary" means a Material Subsidiary whose securities are not listed on any recognized Stock Exchanges in India.

Governance of a Material Subsidiary

- One Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of its Material Non-listed Indian Subsidiary Company.

- The Audit Committee of the Company shall review the financial statements, in particular the investments made by its Unlisted Subsidiary Company.
- The minutes of the Board meetings of the Unlisted Subsidiary Company shall be placed at the Board meeting of the company.
- The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions & arrangements entered into by its Unlisted Subsidiary Company.
- 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.

Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution or a resolution with majority as may be prescribed under the Listing Regulations, shall not:

- a) Dispose shares in the Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b) Ceases the exercise of control over the Material Subsidiary; or
- c) Sell, dispose of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during an accounting year;

Except in cases where such divestment, sale, disposal, lease as the case may be is made under a scheme of arrangement duly approved by the Court / Tribunal.

Secretarial Audit

The Company and its material unlisted subsidiaries 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.

Disclosure

This Policy shall be disclosed on the Company's website & a web link thereto shall be provided in the Annual Report of the Company.

Amendment

The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.