



JK Cement Limited ('Company')

Policy for determining Material Subsidiaries Pursuant to Regulation 16 (1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Reviewed on 21.3.25)

1. Purpose and Scope:

The Policy for determining Material Subsidiary of the Company has been framed in accordance with the provisions of Regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('**Listing Regulations**').

The Policy is for determining the Material Subsidiaries of the Company and to provide the governance framework for the Material Subsidiaries. The Company is required to disclose the Policy on its website and a web link thereto shall be provided in the Annual Report.

All the words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation in the Listing Regulations, it would be interpreted as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

2. Definitions:

- a. "**Act**" means Companies Act, 2013 including any statutory modification or re-enactment thereof.
- b. "**Audit Committee**" or "**Committee**" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time.
- c. "**Board of Directors**" or "**Board**" means the Board of Directors of J K Cement Limited, as constituted from time to time.
- d. "**Company**" means J K Cement Limited.
- e. "**Policy**" means Policy on Material Subsidiary.
- f. "**Material Subsidiary**" shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- g. "**Unlisted Material subsidiary**" for the limited purpose of appointment of independent director as shall mean an unlisted subsidiary, incorporated in India or not, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- h. "**Net Worth**" means net worth as defined under Section 2(57) of the Companies Act, 2013
- i. "**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.
- j. "**Unlisted Subsidiary**" for the purposes of this Policy, means a subsidiary as per section 2(87) of the Companies Act, 2013 and which has not listed its equity shares on the stock exchange

2. Identification of 'Material' subsidiary

As per the said Regulations, a "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Board shall identify its material subsidiary on or before the beginning of the financial year.

3. Governance framework for all subsidiaries:

- i. The Audit Committee shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary of the Company on a quarterly basis.
- ii. The minutes of the Board Meetings of the Unlisted Subsidiary of the Company shall be placed before the Board of the Company.
- iii. The management shall periodically bring to the attention of the Audit Committee/Board, a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary of the Company.
- iv. The Audit Committee of the Company shall review the utilization of loans and/ or advances from/ investment by the Company in the subsidiary exceeding rupees Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- v. The related party transactions of the subsidiaries of the Company shall be shared with the compliance department of the Company for disclosure under Regulation 23(9) of Listing Regulations and placed for approval of the Audit Committee/ Shareholders of the Company, as the case may be, in accordance with the Related Party Transaction Policy of the Company.
- vi. The Company shall disclose all events or information with respect to its subsidiaries, which are material for the Company as defined/determined in the Policy of Determination of Materiality in the manner as provided in the said policy and the applicable law.

4. Governance framework for material subsidiary:

Atleast one independent director of the Company shall be a director on the Board of the Unlisted Material Subsidiary, whether incorporated in India or not.

5. Disposal of shares or assets of Material Subsidiary:

The Company shall not:

- a. Dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% 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 competent 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.
- b. Selling, disposing off 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 without 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 Competent 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

However, the same shall not apply if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

5. Secretarial Audit

The unlisted Material Subsidiary of the Company incorporated in India shall undertake secretarial audit by a secretarial auditor who is a peer reviewed Company Secretary and the Company shall annex with its annual report, a secretarial audit report given by such peer reviewed Company Secretary in practice, in such form as may be specified

6. Policy Review:

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

Reason for review	Approval date
To align with the requirements of Regulation	21.3.25

Date: 21.3.2025
Place: New Delhi



Dr. Raghavpat Singhania
Managing Director