



## **POLICY ON MATERIAL SUBSIDIARIES**

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| <b>Policy Title</b>                   | <b>Policy on Material Subsidiaries</b> |
| <b>Version Number</b>                 | <b>3.0</b>                             |
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| <b>Authorised By</b>                  | <b>Board of Directors</b>              |
| <b>Revisions</b>                      | <b>Two</b>                             |
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| <b>Revision effective date</b>        | <b>15<sup>th</sup> May, 2025</b>       |

## Introduction

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('Listing Regulations'), every listed company has to formulate a policy for determining 'material' subsidiaries and such policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report of the company. Accordingly, the Board of Directors of JSW Energy Limited has adopted the Policy on Material Subsidiaries.

## Definitions

**"Board of Directors"** or **"Board"** means the Board of Directors of JSW Energy Limited, as constituted from time to time.

**"Company"** means JSW Energy Limited.

**"Independent Director"** means a non-executive director of the Company as defined under Section 149 of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

**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.

**"Net worth"** means net worth as defined under Section 2(57) of the Companies Act, 2013.

**"Policy"** means this Policy on Material Subsidiaries and as may be amended from time to time.

**"Subsidiary"** means a subsidiary company as defined under Section 2(87) of the Companies Act, 2013 and the Rules made thereunder.

## Policy

- I. A subsidiary shall be a **Material Subsidiary**, if any of the following conditions are satisfied:

- a. If the turnover of the subsidiary exceeds ten percent of the consolidated turnover of the Company and its subsidiaries in the immediately preceding accounting year. or
  - b. If the net worth of the subsidiary exceeds ten percent of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year;
- II. The Company shall classify the subsidiaries of the Company as 'material' based on the net worth and turnover criteria as prescribed above on the completion of each accounting year.
- III. 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.

*Explanation: For the purposes of this provision, notwithstanding anything to the contrary contained in this Policy, the term "Material Subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries basis the immediately preceding accounting year.*

### **Disposal of Material Subsidiary**

The Company, without the approval of the members by way of Special Resolution in its General Meeting, shall not:

- (i) 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 or equal to fifty percent; or
- (ii) cease the exercise of control over the Material Subsidiary

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.

The Company, shall, only with the prior approval of the members by way of Special Resolution:

- (i) sell, dispose and lease assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year

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.

Nothing contained in this sub-clause shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

### **Secretarial Audit of Material Subsidiaries**

Unlisted Material Subsidiaries incorporated in India are required to undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the secretarial audit report shall be annexed with its annual report.

## **Compliance**

The Policy shall be uploaded on the website of the Company at [www.jsw.in](http://www.jsw.in) and a web link thereto shall be provided in the Annual Report of the Company, as per the applicable law.

## **Review of the Policy**

This Policy shall be reviewed by the Board periodically and updated accordingly. This Policy would be subject to revision / amendment in accordance with the applicable laws.

In case of any amendment(s), clarification(s), circular(s), notification(s), etc. issued by the relevant authorities under the Listing Regulations or the Act or any other governing Act / Rules / Regulations or re-enactment thereof, not being consistent with the provisions laid down under the Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc., even if not expressly incorporated in this Policy.

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