

**POLICY FOR DETERMINING MATERIAL
SUBSIDIARIES**

J.B. CHEMICALS & PHARMACEUTICALS LIMITED

**Registered Office : Neelam Centre, B Wing, 4th Floor,
Hind Cycle Road, Worli,
Mumbai - 400 030**



1. PREAMBLE & BACKGROUND

- a. The equity shares of J. B. Chemicals & Pharmaceuticals Limited (“**Company**”) are listed on National Stock Exchange and Bombay Stock Exchange.
- b. Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Obligations”) requires listed companies to formulate a policy for determining ‘material’ subsidiary.
- c. Accordingly, this Policy on material subsidiaries (“the / this “**Policy**”) has been formulated as required under the aforesaid Regulation. The objective of the Policy is to identify, from time to time, material subsidiary of the Company based on the criteria set out herein.

2. MATERIAL SUBSIDIARY

- (a) A material subsidiary of the Company shall mean any subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and all its subsidiaries in the immediately preceding financial year; and
- (b) Notwithstanding the above, with regard to requirement of appointment of independent director on the Board of the Company as director on the board of directors of unlisted material subsidiary, the term “material subsidiary” of the Company shall mean any subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and all its subsidiaries in the immediately preceding financial year.
- (c) Criteria and percentage limit of income or net worth as specified above correspond to those specified under the Listing Obligations. In the event the aforesaid criteria and/or percentage limit undergoes change due to amendment of the Listing Obligations, then such revised criteria and/or percentage limit shall be deemed to form part of this Policy for the purpose of determination of material subsidiary.

3. PROCESS FOR TRANSACTIONS AFFECTING MATERIAL SUBSIDIARY

Whenever any subsidiary attracts the criteria of materiality specified in Para 2(a) above, then:

- 3.1 The Company shall not dispose of shares in its such material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 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 Court/Tribunal; and

- 3.2 Selling, disposing and leasing of assets amounting to more than 20% of the assets of such 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.

4 SCOPE LIMITATION

In the event of conflict between this Policy and provisions of the Listing Obligations, then the provisions of the Listing Obligations shall prevail.

5 DISCLOSURE

The Company shall post this Policy on its website.

6 POLICY VALIDATION AND REVIEW

This Policy was approved by the Board of directors of the Company on November 19, 2014 and amended by the Board on May 21, 2019. This Policy shall be reviewed as and when it becomes necessary due to changes in the provisions of the Listing Obligations or otherwise.

POLICY HISTORY

Version	Date	Remark
V.1	19-11-2014	Policy approved by the Board of directors effective from October 1, 2014.
V.2	21-5-2019	Policy amended consequent to Amendment Regulations, 2018 w.e.f. 1-4-2019.

Date: May 21, 2019

