

JAGATJIT AGRI ENGINEERING LIMITED

(formerly Jagatjit Agri Engineering Private Limited and Jagatjit Agri India Private Limited)

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

[Pursuant to Regulation 16(1)(c) and Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

JAGATJIT AGRI ENGINEERING LIMITED

CIN: U29300PB2020PLC051718

Registered Office: LUDHIANA MALERKOTLA ROAD, DEHLON, LUDHIANA, PUNJAB 141118, INDIA

JAGATJIT AGRI ENGINEERING LIMITED
POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. INTRODUCTION

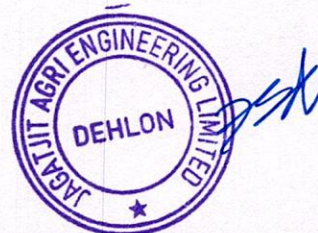
- a) This policy has been formulated in accordance with regulation 16(1)(c) and regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred to as "SEBI Listing Regulations").
- b) The Board of Directors of Jagatjit Agri Engineering Limited (hereinafter referred as the "Company" or "Jagatjit"), at its meeting held on September 15, 2026 approved this policy ("Policy"). This Policy will be effective from September 15, 2026

2. OBJECTIVES OF THE POLICY

This Policy deals with the determination of Material Subsidiaries of Jagatjit to comply with the SEBI Listing Regulations.

3. DEFINITIONS

- i. **"Act"** means the Companies Act, 2013 including any statutory modification or reenactment thereof.
- ii. **"Audit Committee"** means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.
- iii. **"Board"** means the Board of Directors of Jagatjit, as constituted from time to time.
- iv. **"Independent Director"** means a director of the Company, as defined in Section 149 (6) of the Act and Regulation 16 (1)(b) of the SEBI Listing Regulations.
- v. **"Material Subsidiary"** mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year unless specified otherwise.
- vi. **"Material Unlisted Subsidiary"** shall mean an unlisted Material Subsidiary.
- vii. **"Net worth"** as defined under Section 2 (57) of Companies Act, 2013.
- viii. **"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
- ix. **"Policy"** shall mean this policy by the name of 'Policy for determining material subsidiary'.
- x. **"Subsidiary Company"** shall mean a subsidiary company as defined under Section 2 (87) of the Act.
- xi. **"Unlisted Subsidiary Company"** means Subsidiary Company whose securities are not listed on any recognized Stock Exchanges



Any other word(s) used in this Policy but not defined herein shall have the same meaning as defined in the Act including any statutory modification or re-enactment thereof or Rules made there-under, SEBI Listing Regulations and the rules and regulations made thereunder or any other relevant legislation / law applicable to the Company.

4. POLICY- CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

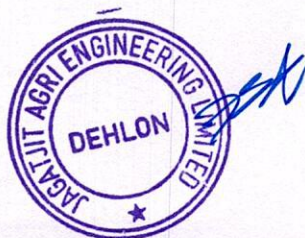
A subsidiary will be deemed as a Material Subsidiary whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of Jagatjit and its subsidiaries in the immediately preceding accounting year.

5. CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARIES OF THE COMPANY

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

Explanation: For the purpose of Clause 5.1 above, "Material Subsidiary" means a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of Company and its subsidiaries in the immediately preceding accounting year.

- b) The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company on a quarterly basis.
- c) The minutes of the Board meetings of the Unlisted Subsidiary Company shall be placed at the Board meetings of the Company on a quarterly basis.
- d) The management of the Unlisted Subsidiary Company shall periodically bring to the notice of the Board, a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary Company.
- e) list of all subsidiaries together with the details of the materiality defined herein shall be submitted to the Audit Committee for review the same and suitable recommendations to the Board
- f) The Company shall not 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 cease the exercise of control over the Subsidiary Company 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 Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 ("Insolvency Code") and such event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- g) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of Jagatjit's 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 or under a resolution plan duly approved under Section 31 of the Insolvency Code and such event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- h) Material Unlisted Subsidiaries incorporated in India shall undertake secretarial audit and shall annex with Company's annual report, a secretarial audit report given by company secretary in practice in such form as may be specified.

6. AMENDMENTS

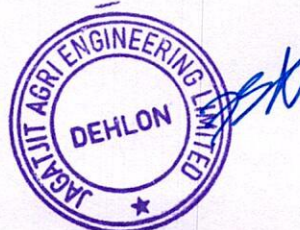
- 6.1 The Board reserves its right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or SEBI Listing Regulations.
- 6.2 However, any amendment in the Policy required in compliance with the SEBI Listing Regulations or any statutory enactment, Chairman & Managing Director of the Company is empowered to approve such amendment and the same should be placed before the Board for their information.

7. DISCLOSURE ON WEBSITE

The Policy shall be displayed on the website of the Company and the weblink thereto shall be <https://jagatjitgroup.com/>

8. GENERAL

- 8.1 Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/regulations either existing or arising out of any amendment to such laws/regulations or otherwise and applicable to the Company, from time to time.
- 8.2 In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent



amendment/ modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

