

DJS STOCK AND SHARES LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Introduction

In accordance with the Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated this policy for determining material subsidiary of the Company.

Scope & Objective

This Policy sets out the criteria for determining material subsidiary / subsidiaries of the Company.

Definition

“**Audit Committee or Committee**” means the Committee of the Board of Directors of the Company constituted from time to time under the provisions of the Listing Agreement and Section 177 of the Companies Act, 2013.

“**Board**” means Board of Directors of the Company as defined under the Companies Act, 2013.

“**Company**” means DJS Stock And Shares Limited.

“**Subsidiary Company**” shall mean a company defined under Section 2(87) of the Companies Act, 2013 and the Rules framed thereunder.

“**Material Subsidiary**” shall mean a subsidiary in which the investment of the Company exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or a subsidiary which has generated twenty per cent of the consolidated income of the Company during the previous financial year.

Criteria for determining material subsidiary / subsidiaries

The Audit Committee shall in its meeting, in which audited financial results of the Company for previous year are considered, review all its subsidiaries on annual basis and upon that review a subsidiary fulfilling the criteria of “material subsidiary” shall be regarded as such for the current financial year.

The Company will ensure the compliance of requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the material subsidiary (ies).

Governance Framework

- (i) At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of the unlisted material subsidiary, incorporated in India.
- (ii) The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- (iii) The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- (iv) The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Review

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

The Company presently does not have any listed/unlisted subsidiary.

Disclosures

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