

JASCH INDUSTRIES LTD
REGD OFFICE 43/5 BAHALGARH ROAD, SONIPAT, HARYANA 131021

POLICY ON MATERIALITY OF SUBSIDIARIES

1. PREAMBLE

It is a requirement of the Listing Agreement that the Company shall formulate a policy for determining material subsidiaries and disclose it on the website of the Company. Indev Gauging Systems Inc is a wholly owned subsidiary of Jasch (North America) Co., the latter itself being a wholly owned subsidiary of Jasch Industries Ltd (JIL). Both Indev Gauging Systems Inc and Jasch (North America) Co. have been incorporated under the laws of the United States.

2. POLICY ON MATERIALITY OF SUBSIDIARIES

2.1 A subsidiary will be considered as material if any one of the following conditions is met:

Investment of JIL in the subsidiary exceeds twenty per cent of consolidated net worth of JIL as per the audited balance sheet of the previous financial year

OR

The subsidiary has generated twenty per cent of the consolidated income of JIL during the previous financial year.

2.2 JIL shall not dispose of shares in its 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 or Tribunal.