J.K.SHAH COMMERCE EDUCATION LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY COMPANIES

Introduction

The Board of Directors (the "**Board**") of J.K.Shah Commerce Education Limited (the "**Company**") has adopted this Policy (the "**Policy**") for determining material subsidiaries of the Company ("**Material Subsidiary(ies)**") in accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "**SEBI Listing Regulations**").

Purpose & Scope

The purpose of this Policy is to establish principles for identifying subsidiary companies that qualify as Material Subsidiary(ies) under the SEBI Listing Regulations, and to set out the governance framework applicable to such Material Subsidiary(ies).

Definitions & Interpretations

All words and expressions used in this Policy but not specifically defined herein shall carry the same meaning as assigned to them under the Companies Act, 2013 (the "**Companies Act**"), Securities and Exchange Board of India Act, 1992 (the "**SEBI Act, 1992**"), SEBI Listing Regulations, as amended or rules and regulations made thereunder and any other relevant legislation applicable to the Company.

Determining Material Subsidiary(ies)

A subsidiary shall be considered a Material Subsidiary if its turnover or net worth exceeds 10% of the consolidated turnover or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Governance Framework

1. At least one independent director on the Board shall be a director on the Board of the unlisted Material Subsidiary(ies), whether incorporated in India or not.

   For this purpose, Material Subsidiary(ies) shall mean a subsidiary, whose turnover or net worth exceeds 20% (twenty percent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, as per the provisions of Regulation 24(1) of the SEBI Listing Regulations.

2. The Audit Committee of the Company shall also review the financial statements, particularly the investments made by the unlisted Subsidiary(ies).

3. The minutes of the meetings of the Board of the unlisted Subsidiary(ies) shall be placed at the meeting of the Board of the Company.

4. The management of the unlisted Subsidiary(ies) shall periodically bring to the attention of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted Subsidiary(ies).

   For this purpose, Significant Transaction or Arrangement shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten percent) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted Subsidiary(ies) for the immediately preceding accounting year.

5. The Company shall disclose to the stock exchanges all events or information in relation to its subsidiaries which are material in terms of its "Policy for Determination of Materiality of events or Information.

Disposal of Material Subsidiaries

1. The Company shall not dispose of shares in its Material Subsidiary(ies) resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease to exercise control over the Subsidiary(ies) without passing a special resolution in its general meeting except 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 and Bankruptcy Code, 2016, and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

2. The Company shall not sell, dispose of, or lease assets amounting to more than 20% of the assets of the Material Subsidiary(ies) on an aggregate basis during a financial year without obtaining 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 and Bankruptcy Code, 2016, and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

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

Secretarial Audit & Secretarial Compliance Report

As per the provisions of Regulation 24A (1)(a) of the SEBI Listing Regulations, the unlisted Material Subsidiary(ies) incorporated in India shall be subject to a secretarial audit conducted by a secretarial auditor, who shall be a peer-reviewed Company Secretary in practice or a firm of Company Secretary(ies) in practice. The secretarial audit report shall be annexed to the annual report of the Company. The secretarial audit report shall be submitted to stock exchanges within sixty days from the end of each financial year .

Disclosure

The Policy shall be uploaded on the website of the Company at www.jkshahcommerceeducation.com and the web link thereto shall be provided in the Annual Report.

Policy Review

i) The Company Secretary shall be responsible for ensuring compliance of this Policy.

ii) This Policy has been formulated in accordance with the SEBI Listing Regulations. In the event of any subsequent amendments that render any provision of this Policy inconsistent, the requirements of the SEBI Listing Regulations shall prevail and supersede the provisions of this Policy.

iii) Any change, amendment, or addition to this Policy shall require prior approval of the Board. However, the Company Secretary is authorized to make amendments to this Policy to give effect to any changes or amendments notified by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. Such amendments shall be placed before the Board for noting and ratification at its subsequent meeting.

iv) The Company Secretary, in coordination with the Chief Financial Officer of the Company shall review this Policy periodically and recommend any proposed changes to the Board for approval.

Scope and Limitation

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations or the Act or any other relevant legislation/ regulation applicable to the Company, the provisions of the SEBI Listing Regulations or the Act or such other relevant law / regulation shall prevail over this Policy.

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