

JAYASWAL NECO INDUSTRIES LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

(Pursuant to Clause 49(V)(D) of the Listing Agreement)

1. INTRODUCTION

The Board of Directors (the "Board") of Jayaswal Neco Industries Limited (the "Company") has adopted the following policy with regard to determination of Material Subsidiaries. The Board may review and amend this policy from time to time.

This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

2. OBJECTIVE

To determine the Material Subsidiaries of the Company.

3. POLICY

A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

- a. Investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year;
- or
- b. the subsidiary company has have generated twenty per cent of the consolidated income of the Company during the previous financial year.

4. DISCLOSURES

The Policy for determining material subsidiaries is to be disclosed in the Annual Report of the Company, as per the provisions of laws in force. The policy shall also be uploaded on the website of the Company at www.necoindia.com.

5. REVIEW

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