JAIPRAKASH
POWER VENTURES LIMITED

POLICY ON
MATERIAL SUBSIDIARIES

PREAMBLE

In terms of Clause 49 of the Listing Agreement entered into by Jaiprakash Power Ventures Limited ("Company") with National Stock Exchange Limited and BSE Limited, the Company shall formulate a policy for determining 'material' subsidiaries and such policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

OBJECTIVE

The Objective of this policy is to determine the Material Subsidiaries of the Company and put in place a robust goverance, framework and reporting requirements of Material Subsidiaries.

SCOPE

This Policy is applicable to the Company as per the Listing Agreement.

DEFINITIONS

For the purposes of this policy, the following definitions apply:

"Holding Company": as per the Provisions of Section 2(46) of the Companies Act, 2013, Holding Company, in relation to one or more companies means a company of which such companies are subsidiary companies. For the purpose of this Policy, Holding Company means Jaiprakash Power Ventures Limited / Company.

"Subsidiary Company" as per the provisions of Section 2(87) of the Companies Act, 2013 read with Rule 2(r) of Companies (Specification of Definitions Details)Rules, 2014, "subsidiary company" or "subsidiary", in relation to any other company (that is to say the Holding Company), means a company in which the Holding Company—

(i) Controls the composition of the Board of Directors; or

(ii) Exercises or controls more than one-half of the "total share capital" (i.e., aggregate of the : (a) paid up equity share capital and (b) convertible preference share capital) either at its own or together with one or more of its subsidiary companies.

"Non-Listed Indian Subsidiary Company" means an unlisted Subsidiary of the Company which is incorporated in India.

"Unlisted Subsidiary Company" means an unlisted Subsidiary of the Company which is incorporated in India or outside India.

"Material Non-Listed Indian Subsidiary" shall mean a Non-Listed Indian Subsidiary Company, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth

respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"Material Subsidiary" shall mean a Subsidiary of the Company incorporated in India or outside India and the investment of the Company in such Subsidiary exceeds **twenty per cent of the Company's consolidated net worth** as per the audited balance sheet of the previous financial year or if such Subsidiary has generated **twenty per cent of the consolidated income** of the Company during the previous financial year.

"Material Unlisted Subsidiary" shall mean an unlisted Material Subsidiary of the Company.

"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 Material Unlisted Subsidiary for the immediately preceding accounting year.

"Policy" means Policy on Material Subsidiary/ies of the Company.

"Audit Committee" means the Committee of Board of Directors of the Company constituted as per Listing agreement and Section 177 of the Companies Act, 2013.

"Board or Board of Directors" means Board of Directors of the Company including Executive, Non-Executive, Nominee and Independent Directors.

"Independent Director" means a Non-Executive Director of the Company who satisfies the criteria for independence under Section 149(6) of the Companies Act, 2013 and the Listing Agreement and appointed as Independent Director of the Company.

POLICY ON MATERIAL SUBSIDIARIES:

a. The Company shall appoint at least 1(one) Independent Director on the Board of Directors of a Material Non-Listed Indian Subsidiary Company.

b. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company on quarterly basis.

c. The minutes of the Board Meetings of the Unlisted Subsidiary Company shall be placed before the Board of the Company on quarterly basis.

d. The statement of all Significant Transactions and Arrangements entered into by the Material Unlisted Subsidiary Company shall be placed before the Board/Audit Committee of the Company on quarterly basis.

e. The list of Material Subsidiary/ies of the Company shall be placed before the Audit Committee on annual basis for review by the Audit Committee.

DEALING WITH MATERIAL SUBSIDIARIES

- The Company shall dispose the Shares of Material Subsidiary only by means of passing a special resolution in the General Meeting of the Company, if such disposal would reduce the Company's shareholding (either on its own or together with other Subsidiaries) to less than 50% or cease the exercise of control over such Material Subsidiary. The above condition is not applicable in cases where such divestment is made under a Scheme of Arrangement duly approved by a Court/Tribunal.

- The Company shall sell/dispose/lease the assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year only with the prior approval of shareholders by way of special resolution. The above condition is not applicable in cases where such sale/disposal/lease is made under a Scheme of Arrangement duly approved by a Court/Tribunal.

AMENDMENT TO THE POLICY

The Audit Committee shall review on an annual or periodic basis this Policy and advise changes if any required from time to time in line with the latest law. Any change to this Policy requires approval of the Board of Directors.

DISCLOSURE

The Company shall disclose the Policy on Material Subsidiaries on the Company's website and a web link thereto shall be provided in the Annual Report.