

POLICY ON MATERIAL SUBSIDIARIES

1. Introduction

The purpose of this Policy is determination of Material Subsidiaries and disclosure thereof as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

2. Policy Objective

The Policy also intends to ensure governance of Material Subsidiary through compliances as laid down in this regard under the LODR Regulations, including in particular, the requirements prescribed under the said regulations with regard to having at least one Independent Director on the board of directors of a material unlisted subsidiary, review of financial statements, bringing to the attention of the Board certain transactions/arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiaries by the Company, disclosure requirements, under the LODR Regulations, as amended from time to time and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

“Act” means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.

“Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under the regulations specified under the SEI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

“Board of Directors” or “Board” means the Board of Directors of RattanIndia Power Limited, as constituted from time to time.

“Independent Director” means shall have the meaning as described to the term under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

“LODR Regulations” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Material Subsidiary” means as follows:

- (a) For the purpose of Regulation 16 of the LODR Regulations: a subsidiary whose 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.
- (b) For the purpose of Regulation 24 of the LODR Regulations: a subsidiary whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Policy” means implies this policy on determination of Material Subsidiaries 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 unlisted subsidiary, for the immediately preceding accounting year.

“Subsidiary” shall be as defined under Section 2(87) of the Companies Act, 2013 and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the LODR Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

4. Policy

4.1. The list of all Material Subsidiaries shall be placed before the Audit Committee of the Company, on an annual basis;

4.2. At least one Independent Director on the Board of the Company, shall be appointed

as a Director on the Board of unlisted Material Subsidiary, whether incorporated in India or not. (*Material Subsidiary herein shall mean a Subsidiary whose turnover or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year*);

- 4.3. The Audit Committee of the Company shall review the financial statements of the unlisted subsidiaries of the Company, on a quarterly basis, including in particular, the investments made by such subsidiaries;
- 4.4. The minutes of the meetings of boards of directors of unlisted subsidiaries of the Company, shall be placed at the meetings of the Board of Directors of the Company, on a quarterly basis;
- 4.5. The management of an unlisted subsidiary of the Company shall bring to the notice of the Board of Directors of the Company, on a half yearly basis, a statement of all Significant Transactions entered into, by such subsidiary;
- 4.6. The Company shall not dispose of shares in its Material Subsidiaries resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or its ceasing to 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/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code, 2016 ('Insolvency Code') and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved;
- 4.7. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless:
(i) 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved or
(ii) such sale disposal or lease of assets, is between two wholly owned subsidiaries of the Company;
- 4.8. The Company and all its Material Subsidiaries incorporated in India, shall undertake Secretarial Audit of its records, by a Secretarial Auditor, who shall be a Peer Reviewed Company Secretary and the Company shall annex with its annual report, a secretarial audit report, given by the Company Secretary in practice.

5. Responsibility, Review and Disclosures

- 5.1. The Policy for determining material subsidiaries shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

- 5.2 The Company Secretary shall be responsible for ensuring the compliance with this Policy.
- 5.3 The Policy shall be disclosed on the Company's website and a weblink thereto shall be provided in the Annual Report as prescribed under the LODR Regulations.
- 5.4 All terms mentioned in this Policy shall be read in conjunction with the Act and LODR Regulations as amended from time to time and any changes to the Act and/or LODR Regulations will apply mutatis mutandis to this Policy
- 5.5 This Policy shall be subject to periodic review as may be deemed necessary by the Board of the Company.