POLICY ON DETERMINING MATERIAL SUBSIDIARIES

[Pursuant to Clause 49(V) of the Listing Agreement entered into the stock exchanges in India]

1. SCOPE AND PURPOSE OF THE POLICY

The Policy for determining 'material' subsidiary companies has been framed in accordance with the provisions of Clause 49(V)(D) of the Listing Agreement, as amended and effective from October 01, 2014.

The Policy will be used to determine the Material Subsidiaries of Ravindra Energy Limited ("the Company") and to provide the governance framework for such subsidiaries. The said Policy has been adopted by the Board of Directors of the Company and going forward, the Board of Directors would review and amend the Policy / procedures, as and when required.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to determine:

a. Meaning of Material Subsidiary;

b. Requirement of Independent Director in certain Material Unlisted Indian Subsidiaries;

c. Restriction on disposal of shares of Material Subsidiary by the Company;

d. Restriction on transfer of assets of Material Subsidiary; and

e. Disclosure requirements, based on Clause 49 of the Listing Agreement and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

3.1 **Subsidiary**: shall mean as defined under the Companies Act, 2013 Act and the Rules made thereunder.

3.2 **Material subsidiary**: A Subsidiary Company shall be treated Material, if:

a) the investment of the Company in the Subsidiary exceeds 20% of the consolidated net worth as per audited balance sheet of the previous financial year; or

b) the Subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.

3.3 **Material Non-Listed Indian Subsidiary**: A Subsidiary which is incorporated in India and is not listed on the Stock Exchanges, whose income or net worth (i.e. paid up share 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.

3.4 **Control**: Shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

3.5 **Independent Director**: means a director of the Company, not being a managing director or whole time director or a nominee director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria as laid down under the Companies Act, 2013 and the Listing Agreement entered into by the Company with the Stock Exchanges.

3.6 **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.

Any other term not defined herein, shall have meaning respectively assigned to them under the Listing Agreement, Securities Contract Regulation Act and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time or any other applicable law(s) or regulation(s).

4. GOVERNANCE FRAMEWORK:

4.1 At least one Independent Director of the Company shall be a director on the Board of the Material Non- Listed Indian Subsidiary Company.

4.2 The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

4.3 The minutes of the Board Meetings of the unlisted subsidiary companies shall be placed before the Board of the Company.

4.4 The management shall periodically bring to the attention of the Board, a statement of all Significant Transactions and Arrangements entered into by the material unlisted subsidiary company.

4.5 The Company 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 such cases where divestment is under a scheme of arrangement duly approved by a Court/Tribunal.

4.6 Selling, disposing and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

5. DISSEMINATION OF POLICY

As prescribed by revised Clause 49(V)(D) of the Listing Agreement, this Policy shall be disclosed in the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

6. REVIEW OF THE POLICY

This policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Audit Committee. Any changes or modification on the policy as recommended by the said Committee would be given for approval of the Board of Directors of the Company.

In the event of any conflict between the provisions of this Policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.