



Policy on determining Material Subsidiaries

[Pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

BACKGROUND

Regulation 16(1)(c) of the LODR Regulations requires every Listed Company to formulate a Policy for Determining Material Subsidiary.

Accordingly, the Board of the Directors of Ravindra Energy Limited (the “Company”) had initially approved and adopted the “Policy for Determining Material Subsidiary” (“Policy”) of the Company.

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, this Policy is being revised to ensure conformity with the above amendments. Accordingly, the Board of Directors has approved and adopted this revised policy.

OBJECTIVES

This Policy is framed and adopted to determine the “Material Subsidiary(ies) of the Company” and to provide the Governance Framework for such Subsidiary(ies). In determining whether or not a subsidiary of the Company is or has become a material subsidiary, the Company shall be guided by and follow this Policy and the applicable provisions of the LODR Regulations. Further, to determine the requirement of Independent Director in certain Material Unlisted Indian Subsidiaries, restriction on disposal of shares of Material Subsidiary by the Company and Restriction on transfer of assets of Material Subsidiary.

Where there is a conflict between this Policy and the LODR Regulations, the provisions of the LODR Regulations shall prevail in making such determination.

DEFINITIONS

In this Code, unless the context otherwise requires:

“**Independent Director**” shall mean an Independent Director of the Company who satisfies the criteria of Independence under the Companies Act, 2013 & LODR Regulations, as amended



from time to time.

“Material Subsidiary” shall have the meaning as defined in Regulation 16(1)(c) of the LODR Regulations, pursuant to which a material subsidiary means a subsidiary, whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

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

“Unlisted Subsidiary” means subsidiary of the Company whose securities are not listed on any Stock Exchange(s) in India provided that where this term is defined (whether by way of definition, clarification or explanation) under the LODR Regulations, it shall have the meaning as per such definition.

All terms used in the policy, but not defined above shall have the meanings ascribed to them in the Act or the Regulations, as the case may be.

GOVERNANCE FRAMEWORK

- i. At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of the unlisted material subsidiary, whether incorporated in India or not.
- ii. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company (including the Unlisted Material Subsidiary).
- iii. The minutes of the meetings of the Board of Directors of the Unlisted Subsidiary (including the Unlisted Material Subsidiary) shall be placed at the meeting of the Board of Directors of the Company.
- iv. The management of the Unlisted Subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions or



arrangements entered into by the unlisted subsidiary (including the Unlisted Material Subsidiary).

- v. 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 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.
- vi. 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 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.

SECRETARIAL AUDIT OF MATERIAL SUBSIDIARY

Every Company and its Material Unlisted Subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its Annual Report, a Secretarial Audit Report, given by a Company Secretary in Practice, with effect from the year ended March 31, 2019.

AMENDMENTS TO THE POLICY

The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s) or any other appropriate Statutory Authority.

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 LODR Regulations / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such LODR Regulations / Companies Act, 2013 or statutory enactments, rules, shall prevail over this Policy.

DISCLOSURE OF THE POLICY

The Company shall disclose this Policy on its website. The necessary disclosure, if any, about the policy will also be made as per the requirements of LODR Regulations and Companies Act 2013.