

## **RUDRABHISHEK ENTERPRISES LIMITED**

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

#### **PURPOSE AND SCOPE:**

The Board of Directors (the “Board”) of “**Rudrabhishek Enterprises Limited**” has adopted the policy and procedures for determining ‘material’ subsidiary companies (“Policy”) in accordance with the provisions of Clause 49(V)(D) of the Listing Agreement.

The policy shall be used to determine material subsidiaries and Material Non-listed Indian subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this policy, unless defined in this policy, shall have meaning assigned to them under the Listing Agreement or in absence of which, as per the Companies Act, 2013 and any rules and regulations made thereunder, as amended from time to time.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

#### **IDENTIFICATION OF MATERIAL SUBSIDIARIES & MATERIAL NON-LISTED SUBSIDIARIES:**

A subsidiary shall be considered as material –

- (i) if the investment of the company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- (ii) if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.

Material non-listed Indian subsidiary shall mean an unlisted subsidiary, incorporated in India, 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 listed holding company and its subsidiaries in the immediately preceding accounting year.

**POLICY & PROCEDURE:**

1. The Audit Committee shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary of the Company.
2. The minutes of the Board meetings of the Unlisted Subsidiary company shall be placed at the Board meeting of the Company at regular intervals.
3. The management shall periodically bring to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions & arrangements entered into by the unlisted subsidiary company;
4. Subsidiary company shall not either by its own or through its nominees, holds any shares in its holding company & no holding company shall allot or transfer its shares to any of its subsidiary companies & any such allotment or transfer of shares of a company to its subsidiary company shall be void.

Nothing contained in this clause, shall apply to a case:-

- Where the subsidiary company holds such shares as the legal representative of a deceased member of the holding company;  
or
  - Where the subsidiary company holds such shares as a trustee;  
or
  - Where the subsidiary company is a shareholder even before it became a subsidiary company of the holding company.
5. The company shall not directly / indirectly purchase its own shares or other specified securities through any subsidiary company including its own subsidiary companies;
  6. The company shall include particulars of its subsidiary companies in its annual return;
  7. The company shall also attach statement along with its financial, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries;
  8. The company shall, along with its financial statements to be filed with Registrar, attach the account of its subsidiary or subsidiaries which have been incorporated outside India & which have not established their place of business in India;
  9. The company shall place separate audited accounts in respect of each of its subsidiary on its website, if any & shall provide the copy of such audited financial statements to any shareholder of the company, who asks for it

**PROVISION WITH REGARD TO DISPOSAL OF SHARES/ASSETS IN MATERIAL SUBSIDIARY:**

- 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 cases where such disinvestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- The Company shall not sell, dispose and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without the prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

**DISCLOSURES**

The material subsidiaries policy shall be disclosed on the company's website & a web link thereto shall be provided in the Annual Report.

**AMENDMENT**

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.