



RATTANINDIA POWER LIMITED

(CIN: L40102DL2007PLC169082)

Registered Office: M - 62 & 63, First Floor, Connaught Place, New Delhi – 110 001

Tel: 011-30252900, Fax: 011-30252901

Website: www.rattanindia.com, E-mail: ir@rattanindia.com

POLICY ON MATERIAL SUBSIDIARIES

1. Introduction

The Board of Directors (the “Board”) of RattanIndia Power Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time. This Policy will be applicable to the Company effective October 1, 2014. This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

2. Policy Objective

To determine the Material Subsidiaries of RattanIndia Power Limited and to provide the governance framework for such subsidiaries.

3. DEFINITIONS

“Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges 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 a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

“Policy” means Policy on Material Subsidiary. Material Non Listed Indian Subsidiary shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

“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.

“Subsidiary” shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

4. Policy

1. A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied: a. the networth of such a subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the immediately preceding financial year; or b. which has generated more than twenty per cent of the consolidated income as per the audited Statement of Profit & Loss for the immediately preceding financial year, of the Company.
2. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company (the Unlisted Subsidiary Company (ies) or Material Subsidiary).
3. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company on an annual basis.
4. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on an half yearly basis.
5. The management shall on a half yearly basis bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary Company.
6. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Unlisted Subsidiary Company.

5. Disposal of Material Subsidiary or its Assets

The Company shall not, without the prior approval of the members by Special Resolution,: a. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or b. ceases the exercise of control over the Subsidiary; or c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the Material Subsidiary.

6. Disclosures

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.