

RAJASTHAN ANTIBIOTICS LTD

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES



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

1. Objective

The objective of this Policy is to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries in accordance with the provisions of Regulation 16 read with Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). This Policy was adopted by the Board on January 05, 2022.

2. Definitions

	means the Companies Act, 2013 and the rules made thereunder (including any statutory modification/re-enactment thereof for the time being in force).
“Act”	
“Company”	means Rajasthan Antibiotics Ltd.
“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.
“Material subsidiary”	means, unless otherwise expressly defined, a subsidiary, whose income or net worth (i.e. paid up share capital and free reserves) exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
“SEBI Listing Regulations”	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the circulars issued thereunder and amendments thereto
	“ Significant Transaction or arrangement ” means 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 in the immediately preceding accounting year.
“Subsidiary”	shall have the same meaning as defined under Section 2(87) of the Act.

3. Governance Framework

a) Independent Director on the Board of an Unlisted Material Subsidiary

At least one independent director on the board of directors of the Company shall be a director on the board of directors of an Unlisted Material Subsidiary, whether incorporated in India or not. For the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16 of the SEBI Listing Regulations, the term “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent (20%) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

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

c) The Minutes of the Board meetings of the unlisted subsidiary shall be placed at the Board meeting of the Company.

d) The management of the unlisted subsidiary should periodically 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.

e) Restrictions on disposal of shares of a Material Subsidiary

The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent (50%) or cease the 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 (the “Insolvency Code”) and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

f). Restriction on transfer of assets of a Material Subsidiary

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of a Material Subsidiary on an aggregate basis during a financial year shall require 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, 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.

4. Disclosures

As required under the SEBI Listing Regulations, this Policy shall be disclosed on the Company’s website viz. www.rallife.com and a web link thereto shall be provided in the Annual Report.

5. Review/Amendment

The Board may amend, modify or revise any or all clauses of this policy in accordance with the applicable provisions of the Listing Regulations and amendment(s) thereto notified by the Securities and Exchange Board of India and/or Stock Exchanges, from time to time. In case any provision(s) of this policy to or inconsistent with the provisions of the Companies Act 2013, rules framed thereunder and Listing Regulations (“Statutory Provisions”), the statutory provisions shall prevail.
