

**POLICY ON DETERMINING MATERIAL SUBSIDIARIES AND GOVERNANCE
FRAMEWORK IN RELATION THERETO**

1. Purpose and Scope of the Policy

This policy is formulated for providing a framework for determination of Material Subsidiary Companies of the Company as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

The Policy also intends to provide a governance framework for such Material Subsidiary companies, in terms of the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2. Effective Date

This Policy shall be effective from the date of approval of the Board of Directors.

3. Definitions

"Board"	Implies the Board of Directors of Raghav Productivity Enhancers Limited.
"Company"	Implies Raghav Productivity Enhancers Limited.
"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.
"Directors"	Implies all the Directors on the Board.
"ED"	Implies Executive Director of the Company.
"Independent Director" or "ID"	implies a Non-Executive Director of the Company, other than a Nominee Director and who is neither a promoter nor belongs to the promoter group of the company, and who satisfies other criteria's for independence mentioned under Section 149 (6) of the in-the Companies Act, 2013 and Regulation 16 (b) of the SEBI LODR Regulations
"SEBI LODR Regulations"	Implies the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

“Material Subsidiary”	Implies a subsidiary whose turnover or net worth exceeds 10% (unless specified otherwise, for any specific purpose, in terms of the provisions of applicable laws) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
“Policy”	Implies this Policy on determination of Material Subsidiaries of the Company.
“Significant Transaction or Arrangement”	Implies 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 Act and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI LODR Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation, as amended from time to time.

4. Independent Director on the Board of Material Unlisted Subsidiary

At least one Independent Director on the Board of the Company shall be a director on the board of the Unlisted Material Subsidiary, whether incorporated in India or overseas.

For this purpose, in terms of the Explanation to the Regulation 24(1) the SEBI LODR Regulations, the terms Material Subsidiary shall mean a subsidiary of the Company whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

5. Restriction on disposal of shares of Material Subsidiary by the Company

The Company shall not dispose off 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 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 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

6. Restriction on disposal of assets of Material Subsidiary

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 a 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

7. Secretarial Audit of Material Unlisted Subsidiaries in India

The Material Unlisted Subsidiaries of the Company incorporated in India shall undertake Secretarial Audit and the Secretarial Audit Report given by a Company Secretary in practice in that regard, in such form as specified, shall be annexed with the annual report of the Company.

The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.

The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.

~~The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.~~

~~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.~~

8. Reporting and Disclosure

As prescribed in terms of the provisions of Clause 62(1A)(h) and other applicable provisions, if any, of the SEBI LODR Regulations, this Policy shall be disclosed on the website of the Company.

The Company shall follow such other reporting and disclosure requirements as may be specified in terms of the provisions of the Companies Act, 2013 and the SEBI LODR Regulations, from time to time.

9. Review of the Policy

This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.

10. Compliance Responsibility

The Chief Financial Officer and Executive Directors of the Company shall be responsible for complying with the provisions of this Policy and other provisions of applicable laws in that regard. Further, he/she shall have the power to ask for any information or clarifications from the Management, for effective discharge of his/her responsibility(ies) in this regard.

11. Amendments to the Policy

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.