

Drafted on 5 January 2023



RHI MAGNESITA

# RHI MAGNESITA INDIA LIMITED

**“POLICY FOR DETERMINING MATERIAL SUBSIDIARY”**





## POLICY FOR DETERMINING MATERIAL SUBSIDIARY

### Introduction

The Board of Directors (the “Board”) of RHI Magnesita India in their meeting held on 5 January 2023 has adopted this policy for determining material subsidiaries of the Company, in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance and subsequent amendments thereto.

The Board may review and amend this policy from time to time.

### Purpose

The Board of the Company has adopted the policy and procedures for determining ‘material’ subsidiary companies (“Policy”) in accordance with the provisions of Regulation 16 1 (c) of the Listing Regulations. This Policy will be used to determine the material subsidiaries and material unlisted 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 hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“Act”) and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

### Policy and procedure

1. The Audit Committee shall periodically 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.
3. The Board of the Company shall be provided periodically with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.
4. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not.
5. 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 divestment is made under a scheme of arrangement duly approved by 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.



6. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the 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.

#### **Policy Review**

The Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

#### **Disclosure**

This policy shall be disclosed on the website of the Company.

#### **Limitation and Amendment**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments or rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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