

**RKB GLOBAL LIMITED**

**POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

*(Pursuant to Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015)*

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**1. PURPOSE**

This policy is framed by the Company pursuant to Regulation 16(1)(c) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2018]

The Policy will come into effect from the date on which any of Securities of the Company get listed.

**2. DEFINITIONS**

- i. “Act” means Companies Act, 2013 including any statutory modification(s) or re - enactment thereof.
- ii. “Subsidiary Company” is as defined under Section 2(87) of the Act.
- iii. “Holding Company” is as defined under Section 2(46) of the Act.
- iv. “RKB” means RKB Global Limited.
- v. “Material Subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 10% (ten percent) of the consolidated turnover or net worth, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- vi. “Significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten percent) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for immediately preceding accounting year.

**3. BASIS OF DETERMINING “MATERIAL SUBSIDIARY”**

The basis of determining “Material Subsidiaries” for RKB will be in the following cases:

- i. Investment of RKB in the subsidiary exceeds 10% (ten percent) of its consolidated net worth as per the audited Balance Sheet of the previous accounting year, or
- ii. If the Subsidiary has generated 10% (ten percent) of the consolidated turnover of RKB during the previous accounting year.

**4. IMPLEMENTATION AND APPROVAL PROCESS**

- i. At least one Independent Director of RKB (the Holding Company) will be appointed as a Director on the Board of Directors of an “unlisted material subsidiary Company”, whether incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16(1)(c), the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% (twenty percent) of the consolidated turnover or net worth, of the listed entity and its subsidiaries in the immediately preceding accounting year.”

- ii. RKB will not dispose of shares in its “material subsidiary” which would reduce RKB’s shareholding (either on its own or together with other subsidiaries) to less than 50% (fifty percent) or cease the exercise of control over the material 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- iii. Prior approval of the Shareholders of RKB by way of a Special Resolution will be obtained for sale, disposal of and leasing of assets amounting to more than 20% (twenty percent) of the “material subsidiary” on an aggregate basis during the financial year 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.

However, above would not be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

- iv. In the event subsidiary of RKB is a listed subsidiary which itself is a holding Company, then this policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
- v. The Management of RKB should periodically bring to the attention of the Board of Directors of RKB, a statement of all significant transactions and arrangements entered into by a “unlisted subsidiary Company”, if any.

## **5. REVIEW AND CHANGES TO THIS POLICY**

- i. The Audit Committee will review this Policy as often as it considers necessary;
- ii. The Board may change this Policy from time to time, by resolution.

## **6. DISCLOSURE**

This Policy shall be disclosed on the website of the Company and a web-link of the same shall be provided in the Company’s Annual Report.

## **7. APPROVED AND ADOPTED**

The Policy will become effective from the date on which any of Securities of the Company get listed.