RPP Infra Projects Ltd

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

BACK GROUND

Pursuant to Regulation 16(1)(c) read with Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Board of Directors of R P P Infra Projects Limited ("Company") has adopted this Policy for determining Material Subsidiaries.

Any amendment, clarification, circular or notification issued by SEBI or any other statutory authority, to the extent applicable, shall prevail over this Policy, and the Policy shall be deemed to be amended accordingly from the effective date of such change.

PURPOSE OF THE POLICY

This Policy aims to identify Material Subsidiaries in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and other applicable laws, and to ensure appropriate governance of such subsidiaries, including compliance with applicable requirements relating to board oversight, financial reporting, and disposal of shares or assets.

DEFINITIONS

1. Act means Companies Act, 2013 and Rules prescribed thereunder, including any statutory amendment or modification thereof.

2. Audit Committee means the Audit Committee of the Board which as on date complies with the provisions of Section 177 of the Act read with applicable Rules and Regulation 18 of the SEBI LODR.

3. SEBI LODR means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) including any amendment or modification thereof. Consolidated Turnover means the total Turnover of the Company and its Subsidiaries.

4. Holding Company "Holding Company" in relation to one or more other companies, means a company of which such companies are Subsidiary companies.

5. 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 Act and SEBI LODR.

6. Material Subsidiary means a Subsidiary whose Turnover or net worth exceeds 10% of the consolidated Turnover or net worth respectively of the listed entity and its subsidiaries in the immediately preceding accounting year.

7. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

8. Subsidiary Company "Subsidiary Company" or "Subsidiary" in relation to any other company (that is to say the Holding Company), means a company in which the Holding Company:

   i. controls the composition of the Board; or
   ii. exercises or controls more than one half of the total voting power either at its own or together with one or more of its Subsidiary companies.

Explanation- For the purpose of this definition:

a) A company shall be deemed to be a Subsidiary company of the Holding Company even if the control referred to in clause (i) or (ii) above is of another Subsidiary company of the Holding Company;

b) The composition of a company's Board shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the Directors. The term "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 shareholders agreements or voting agreements or in any other manner. (Section 2 (27) of the Act).

The term "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 shareholders agreements or voting agreements or in any other manner. (Section 2 (27) of the Act).

IDENTIFICATION PROCESS

The identification of Material Subsidiaries shall be undertaken at least once during each financial year. The outcome of such assessment shall be placed before the Audit Committee and the Board for their review and noting

PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY COMPANIES

1. The Chief Financial Officer of the Company will be responsible for monitoring and determining which of the Subsidiaries falls within the definition of Material Subsidiaries.

2. Monitoring of investments made by the Company in the Subsidiaries for the purpose of determining the Materiality of the Subsidiary shall be done whenever such an investment is made. Monitoring the quantum of generation of consolidated Turnover of the Company will be done at the time of finalizing the consolidated annual accounts of the Company.

BOARD REPRESENTATION ON MATERIAL UNLISTED SUBSIDIARIES

The Company shall appoint at least one of its Independent Directors on the Board of an unlisted Material Subsidiary, whether incorporated in India or outside India, in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For the purpose of this Policy, a Material Unlisted Subsidiary means an unlisted subsidiary 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.

RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY

The Company shall not dispose of shares held in its Material Subsidiary, which would result in reducing its shareholding (either individually or together with other subsidiaries) to less than 50% or result in cessation of control over such subsidiary, without obtaining approval of the shareholders by way of a special resolution, except where such divestment is made pursuant to a scheme of arrangement approved by a Court/Tribunal or under a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016. Such event shall be disclosed to the Stock Exchanges within the applicable timeline.

RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

The Company shall not sell, dispose of or lease assets amounting to more than 20% of the assets of a Material Subsidiary, on an aggregate basis during a financial year, without prior approval of the shareholders by way of a special resolution, except where such sale, disposal or lease is made pursuant to a scheme of arrangement approved by a Court/Tribunal or under a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016. Such event shall be disclosed to the Stock Exchanges within the applicable timeline.

SECRETARIAL AUDIT MATERIAL UNLISTED SUBSIDIARY

Every Material Unlisted Subsidiary incorporated in India shall undertake a secretarial audit and the secretarial audit report issued by a Practising Company Secretary shall be annexed to the Company's Annual Report.

COMPLIANCE BY STEP DOWN SUBSIDIARIES

Where the Company has a listed subsidiary which is itself a holding company, the provisions of this Policy shall apply to such listed subsidiary in respect of its subsidiaries. The Secretarial Audit Report of the Material Subsidiary(ies) shall be annexed to the Annual Report of the holding Company, as applicable.

DISCLOSURES

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

AMENDMENT AND REVIEW OF THE POLICY

The Board reserves the right to amend, modify or review this Policy, either wholly or partially, as may be deemed necessary from time to time.