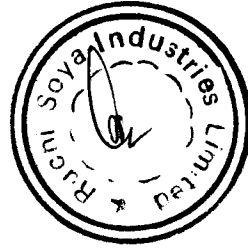


RUCHI SOYA INDUSTRIES LIMITED

MATERIAL SUBSIDIARY POLICY

[Framed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

(Approved by the Board of Directors of the Company at their meeting held on 17th January, 2020)



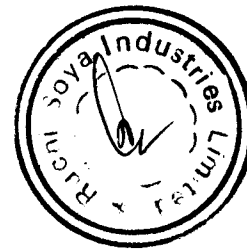
RUCHI SOYA INDUSTRIES LIMITED
MATERIAL SUBSIDIARY POLICY

Effective Date: January 17, 2020

Modifications:-

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MATERIAL SUBSIDIARY POLICY

1. Introduction

This Policy (hereinafter referred to as "**the Policy**") has been framed and adopted by Ruchi Soya Industries Limited (hereinafter referred to as "**the Company**") in compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**SEBI Listing Regulations**").

2. Objectives

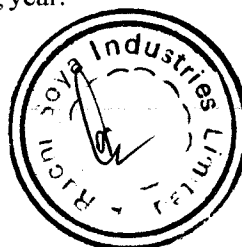
The objective of this policy is to provide the governance framework in relation to such subsidiaries and to determine:

- 2.1 the meaning of Material Subsidiary (defined hereinafter);
- 2.2 the requirement to appoint Independent Director in Material Subsidiaries;
- 2.3 restriction on disposal of shares of a Material Subsidiary by the Company;
- 2.4 restriction on transfer of assets of Material Subsidiary by the Company; and
- 2.5 disclosure requirements under the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. Definitions

Definitions of some of the key terms used in this policy are given below:

- a) '**Act**' means Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- b) '**Audit Committee**' or '**Committee**' means the audit committee constituted by the Board under the provisions of the SEBI Listing Regulations and the Act.
- c) '**Board**' or '**Board of Directors**' means the Board of Directors of the Company.
- d) '**Company**' means Ruchi Soya Industries Limited.
- e) '**Independent Director**' means an independent director as defined in Section 2(47) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
- f) '**Material Subsidiary**' means a Subsidiary of the Company whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.
- g) '**Policy**' means this Material Subsidiary Policy.
- h) "**SEBI Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- i) '**Significant Transactions or Arrangements**' mean 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.



- j) **‘Stock Exchanges’** means the stock exchanges where the specified securities of the Company are listed.
- k) **‘Subsidiary’** has the meaning ascribed to it in Section 2(87) of the Act.
- l) **“Unlisted Subsidiary”** means an unlisted Subsidiary of the Company.

All other words and expressions used but not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or other cognate statute.

4. Policy

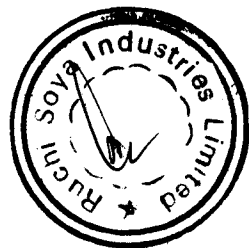
4.1 Material Subsidiary

- A) Unless the disposal 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 Stock Exchanges within one day of approval of the resolution plan, the Company shall not, without approval of the shareholders by way of a special resolution in a General Meeting:
 - (i) dispose of shares in its Material Subsidiary which results in reduction in its shareholding (either on its own or together with other subsidiaries) in such Material Subsidiary to less than fifty percent (50%); or
 - (ii) cease the exercise of control over a Material Subsidiary.
- B) 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 a special resolution, unless such 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 Stock Exchanges within one day of approval of the resolution plan.
- C) At least one Independent Director on the Board of the Company shall be a Director on the board of directors of every Material Subsidiary, whether incorporated in India or not.

Note: For the purposes of this Para C), notwithstanding anything to the contrary, 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 Company and its subsidiaries in the immediately preceding accounting year.

4.2 Unlisted Subsidiary

- (a) The Audit Committee shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary.
- (b) The minutes of the meetings of the board of directors of the Unlisted Subsidiary shall be placed at the meeting of the Board. The management of the Unlisted Subsidiary shall, on a quarterly basis bring to the attention of the Board of the Company, a statement of all Significant Transactions or Arrangements entered into by the Unlisted Subsidiary.
- (c) The Audit Committee shall review the utilization of loans and/ or advances from/



investment by the Company in its Subsidiary exceeding Rupees 100 crore or tenpercent (10%) of the asset size of the Subsidiary, whichever is lower including existing loans/ advances/ investments.

4.3 Secretarial Audit

The Company and its Material Subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.

5. Disclosure

Pursuant to the requirements of Regulation 46(2)(h) of the SEBI Listing Regulations, this Policy shall be disclosed under a separate section on the website of the Company and a web link thereto shall be provided in the Company's annual report.

6. Authority/ Policy Review

- (a) Subject to the provisions of the Act and the SEBI Listing Regulations, in case of any interpretation issue on any matter relating to this Policy, the Audit Committee/ Board shall refer the same for legal opinion.
- (b) The provisions of this Policy shall also apply to all listed Subsidiaries of the Company in so far as their Subsidiaries are concerned.

7. Interpretation

The decision of the Audit Committee with regard to any or all matters relating to this Policy shall be final and binding on all concerned. The Audit Committee shall recommend to modify, amend or replace the Policy in part or full, as may be thought fit from time to time in their absolute discretion which shall be placed before the Board for their approval.

8. Amendment

This Policy is framed based on the Regulation 16(1)(c) of the SEBI Listing Regulations. In case of any changes in the provisions of the SEBI Listing Regulations or any other regulation which are inconsistent with the Policy, such amended provisions would prevail over the Policy.

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