



Religare Enterprises Limited

Policy on Subsidiaries

(Effective from October 1, 2014)

(Updated on May 27, 2016, April 01, 2019)

POLICY ON SUBSIDIARIES

1. Preamble

The Board of Directors (the “Board”) of Religare Enterprises Limited (the “Company” or “REL”), has adopted the following policy and procedures with regard to Subsidiaries of the Company as defined below. The Board will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate the investments of Company in Subsidiaries and oversee the functioning of subsidiaries based on the applicable laws and regulations applicable on the Company.

2. Purpose

This policy is framed as per requirement of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time and intended to ensure that Board of Directors has overall supervision of functioning of Subsidiaries of the Company and regulate the investments of the Company in Subsidiaries.

3. Definitions

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and Companies Act, 2013.

“**Board** ” means Board of Directors of the Company.

“**Material Subsidiary**” means a Subsidiary whose net worth exceeds ten per cent of consolidated net worth of the Company as per the audited balance sheet of the previous financial year or if the Subsidiary has generated income exceeding ten per cent of the consolidated income of the company during the previous financial year.

“**Material Non-Listed Subsidiary**” means a Subsidiary whose equity shares are not listed on any recognized stock exchange and whose net worth exceeds ten per cent of consolidated net worth of the Company as per the audited balance sheet of the previous financial year or if the Subsidiary has generated income exceeding ten per cent of the consolidated income of the company during the previous financial year

“**Non-Listed Subsidiary**” means Subsidiary whose equity shares are not listed on any recognized stock exchange.

“**Policy**” means Policy on Subsidiaries.

“**Significant Transaction or Arrangement**” means 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 Non-Listed Subsidiary for the immediately preceding accounting year

“**Subsidiary(ies)**” means subsidiary of the Company as defined in the Companies Act, 2013

4. Policy & Procedure

- i. At least one independent director on the Board of the Company shall be a director on the Board of Directors of a Material Non-Listed Subsidiary, whether incorporated in India or abroad.

Provided, for the purpose of this clause, material non-listed subsidiary shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- ii. The Audit Committee of the Company shall also review the financial statements of Subsidiaries, in particular, the investments made by the Non-Listed Subsidiary of the Company.
- iii. The minutes of the board meetings of the Non-Listed Subsidiary Company shall be placed at the Board meeting of the Company at regular intervals.
- iv. The management of the Company shall quarterly bring to the attention of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by the Non-listed Subsidiary of the Company. List of Material Non-listed Subsidiaries of the Company will be placed before the Board on annual basis in the meeting held immediately after the meeting held for approving the Annual Financial Statements.
- v. 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 a Court/Tribunal..
- vi. 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.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

Signed

Effective Date
