Revathi Equipment Ltd

Policy for Determining "Material" Subsidiaries

As per revised listing Agreement the Board of Directors of Revathi Equipment Ltd (the "Company") has to formulate a policy for determining "material subsidiaries" to comply with the requirements of Clause 49 of the Listing Agreement for such material subsidiaries. Accordingly following policy has been formulated.

Policy for material subsidiaries

Definitions

"Material non-listed Indian subsidiary"

It shall mean an unlisted Indian subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital & free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company & its subsidiaries in the immediately preceding accounting year.

"Material Subsidiary"

A subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the company during the previous financial year.

"Significant transaction or arrangement"

It shall 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 material unlisted subsidiary for the immediately preceding financial year.

"Audit Committee"

Audit Committee means the committee formed under Section 177 of the Companies Act, 2013.

Provisions with regard to material non-listed Indian subsidiary & material subsidiary companies

At least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material non-listed Indian subsidiary company;

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 disinvestment is made under a scheme of arrangement duly approved by a Court/Tribunal

The company shall not sell, dispose & lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of the shareholders by way of passing special resolution in its General Meeting, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by Court/Tribunal.

Compliance by step down subsidiaries

Where the company has a listed subsidiary which is itself a holding company, this policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

Disclosures

The material subsidiaries policy shall be disclosed on the company's website & a web link thereto shall be provided in the Annual Report.

Amendment

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time