



POLICY FOR DETERMINING MATERIAL SUBSIDIARY COMPANIES

1. Introduction:

The Board of Directors (“the Board”) of Roto Pumps Limited (“the Company”) has adopted and implemented the following policy with regard to determination of Company’s material subsidiary (ies).

This policy shall be called as the “Policy for determining material subsidiaries.”

This Policy has been prepared in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Objective:

This policy has been formulated with an objective to determine material listed or non-listed Indian or foreign subsidiaries of the Company and complying with all the applicable disclosure/other statutory requirements in relation to such subsidiaries. The policy will also provide a governance framework for the material subsidiaries so determined in accordance with this policy.

3. Policy:

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

At-least one Independent Director of the Company shall be a director on the



Board of each material non-listed Indian subsidiary;

The Company shall not dispose of shares in its material subsidiary which would reduce Company's shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over such subsidiary without passing a special resolution in its General Meeting except in case where such divestment is made under a scheme of arrangement duly approved by the Court/ Tribunal;

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;

The Audit Committee shall review the financial statements of the material subsidiary giving specific attention to the investments made by the subsidiary.

4. Disclosure and Dissemination:

The Policy shall be uploaded on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

5. Review/Amendments:

The Board may review the policy on so as the policy is in compliance with the existing provisions of applicable laws.