

PATANJALI FOODS LIMITED
(Formerly known as 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 Director at their meeting held on August 11, 2023)



PATANJALI FOODS LIMITED
(Formerly known as Ruchi Soya Industries Limited)
MATERIAL SUBSIDIARY POLICY

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MATERIAL SUBSIDIARY POLICY

1. Preface:

- 1.1 Material Subsidiary Policy (hereinafter referred to as the “**Policy**” or “**this Policy**”) has been framed and adopted by Patanjali Foods Limited (formerly known as Ruchi Soya Industries Limited) (hereinafter referred to as the “**Company**”) has been framed in accordance with the regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred to as “**Listing Regulations**”).
- 1.2 Although at present the Company doesn't have any subsidiary, this Policy will be used to determine the material subsidiaries of the Company and to provide the governance framework for unlisted subsidiaries.
- 1.3 The Audit Committee will review this Policy periodically and may amend the same from time to time, as may be deemed necessary.

2. Objectives:

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

- (i) the meaning of Material Subsidiary (*defined hereinafter*);
- (ii) the requirement to appoint Independent Director in Material Subsidiary;
- (iii) restriction on disposal of shares of a Material Subsidiary by the Company;
- (iv) restriction on transfer of assets of Material Subsidiary by the Company;
- (v) secretarial audit by Material Unlisted Subsidiaries incorporated in India; and
- (vi) disclosure requirements under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. Definitions:

Unless the context otherwise requires, the following words, expressions, and derivations therefrom shall have the meaning assigned to them as under:-

- (i) “**Audit Committee**” or “**Committee**” means the audit committee constituted by the Board under the provisions of the Listing Regulations and the Act.
- (ii) “**Board**” or “**Board of Directors**” means the Board of Directors of the Company.
- (iii) “**The Act**” means Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- (iv) “**Company**” means Patanjali Foods Limited.
- (v) “**Independent Director**” means an independent director as defined in Section 2(47) of the Act and Regulation 16(1)(b) of the Listing Regulations.
- (vi) “**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.



- (vii) **“Significant Transactions or Arrangements”** mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent (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.
- (viii) **“Stock Exchanges”** means the stock exchanges where the securities of the Company are listed.
- (ix) **“Subsidiary”** has the meaning ascribed to it in Section 2(87) of the Act.
- (x) **“Unlisted Subsidiary”** means a Subsidiary of the Company which is not listed on the Stock Exchange(s).

Words and expressions used but not defined in this Policy shall have the same meanings as defined in the Act, the Listing Regulations, or other cognate statutes.

4. Policy:

4.1 Material Subsidiary

- (i) Unless the disposal is made under a scheme of arrangement duly approved by a Court of law/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 the 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 a reduction in its shareholding (either on its own or together with other subsidiaries) in such Material Subsidiary to less than or equal to fifty percent (50%); or
 - (ii) cease the exercise of control over a Subsidiary.
- (ii) 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 of law/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.

4.2 Unlisted Subsidiary

- (i) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary.
- (ii) The minutes of the meetings of the Board of the Unlisted Subsidiary shall be placed before the Board of Directors in the board meeting of the Company.
- (iii) The management of the Unlisted Subsidiary (whether material or not) 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.

Where a listed entity has a listed subsidiary, which is itself a holding company, the provisions of clauses 4.1 and 4.2 shall apply to the listed subsidiary in so far as its subsidiaries are concerned.



4.3 Secretarial Audit

The Company and its material unlisted subsidiaries incorporated in India shall undertake a secretarial audit from a company secretary in practice and shall annex secretarial audit report with its annual report, in such form as may be specified.

5. Independent Director of the Company on the Board of unlisted material subsidiary:

At least one Independent Director of the Company shall be a director on the Board of an unlisted material subsidiary, whether incorporated in India or not.

6. Disclosure:

Pursuant to the requirements of regulation 46(2)(h) of the Listing Regulations, the 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.

7. Review of list of material Subsidiaries:

The Management shall prepare and present to the Board annually the list of the subsidiaries of the Company including Material Subsidiaries together with the details of aforesaid compliances.

8. Authority/ Policy Review:

- (a) Subject to the provisions of the Act and the Listing Regulations, in case of any interpretation issue on any matter relating to this Policy, the Audit Committee/ Board may 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.
- (c) The Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

9. 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 the Board to modify, amend or replace the Policy in part or full, as may be thought fit from time to time in their absolute discretion.

10. Amendment:

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

11. Conflict:

In the event of any conflict between the provisions of this Policy, the Act, Listing Regulations or any other cognate statutory enactments or rules, then the Act or the Listing Regulations or such other cognate statutory enactments or rules made thereunder shall prevail over to this Policy and the part(s) so repugnant shall be deemed to severed from this Policy and the rest of the Policy shall remain in force.

