

RAMPUR FERTILIZERS LIMITED

CIN: L15136UP1988PLC010084

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POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARY

(As approved by the Board of Directors on April 11, 2016)

The Objective of this Policy is to determine the "Material Subsidiaries of the Company" and to provide the Governance Framework for such Subsidiaries.

Definitions

"Material Subsidiary" shall mean a Subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"Material non-listed Indian Subsidiary" shall mean an unlisted Subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

"Significant transaction or arrangement" 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 accounting year.

"Unlisted Subsidiary" means Subsidiary whose securities are not listed on any recognized Stock Exchanges.

Governance Framework

- a. At least one Independent Director of the Company shall be a Director on the Board of an unlisted material Subsidiary, incorporated in India.
- b. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted Subsidiary Company.
- c. The minutes of the meetings of the Board of Directors of the unlisted Subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- d. The management of the unlisted Subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions or arrangements entered into by the unlisted Subsidiary.

Policy Review

This Policy shall be subject to review as may be deemed necessary by the Board of Directors/Administrative Committee and in accordance with any Regulatory Amendments.
