POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARY

1. PREAMBLE

This Policy for Determination of Material Subsidiary ("Policy") has been formulated and adopted by the Board of Directors ("Board") of Radhika Jeweltech Limited ("Company") in accordance with the provisions of Regulation 16(1)(c) read with Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations").

The objective of this Policy is to determine the material subsidiaries of the Company and to establish a framework for governance, oversight and monitoring of such subsidiaries in accordance with the applicable provisions of the SEBI LODR Regulations.

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2. EFFECTIVE DATE

This Policy shall be effective from the date of its approval by the Board of Directors of the Company.

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3. DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

3.1 "Act"

Means the Companies Act, 2013, and the rules made thereunder, as amended from time to time.

3.2 "Audit Committee"

Means the Audit Committee of the Board of Directors of the Company constituted in accordance with the provisions of the Companies Act, 2013 and the SEBI LODR Regulations.

3.3 "Board"

Means the Board of Directors of Radhika Jeweltech Limited.

3.4 "Company"

Means Radhika Jeweltech Limited, a company whose equity shares are listed on one or more recognised stock exchanges.

3.5 "Material Subsidiary"

Unless the context otherwise requires, "Material Subsidiary" shall mean a subsidiary of the Company which meets the criteria prescribed under Regulation 16(1)(c) of the SEBI LODR Regulations, as amended from time to time.

Accordingly, a subsidiary shall be considered a **Material Subsidiary** if its **turnover or net worth exceeds ten per cent (10%) of the consolidated turnover or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year**.

For the purpose of determining a Material Subsidiary, the term "subsidiary" shall have the meaning assigned to it under the applicable provisions of the Companies Act, 2013 and the SEBI LODR Regulations.

3.6 "SEBI LODR Regulations"

Means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, modified or re-enacted from time to time.

Words and expressions used but not defined in this Policy shall have the meanings respectively assigned to them under the Companies Act, 2013, the SEBI LODR Regulations or any other applicable law.

4. OBJECTIVE OF THE POLICY

The objective of this Policy is:

a. to lay down the criteria for determining a Material Subsidiary of the Company;

b. to ensure appropriate oversight by the Company over its Material Subsidiaries;

c. to ensure compliance with the applicable provisions of the SEBI LODR Regulations and other applicable laws;

d. to protect the interests of the shareholders of the Company; and

e. to establish appropriate governance mechanisms in relation to Material Subsidiaries.

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5. CRITERIA FOR DETERMINATION OF MATERIAL SUBSIDIARY

A subsidiary of the Company shall be considered a **Material Subsidiary** if, on the basis of the immediately preceding accounting year:

(a) the turnover of such subsidiary exceeds **10% of the consolidated turnover** of the Company and its subsidiaries; **or**

(b) the net worth of such subsidiary exceeds **10% of the consolidated net worth** of the Company and its subsidiaries.

The determination shall be made based on the **audited consolidated financial statements** of the Company for the immediately preceding accounting year and the relevant financial information of the subsidiaries, as applicable.

The Company Secretary or such other officer as may be authorised by the Board shall, in consultation with the Chief Financial Officer and/or the Audit Committee, undertake the assessment of subsidiaries on an annual basis and place the same before the Audit Committee and/or the Board, as may be applicable.

The status of a subsidiary as a Material Subsidiary shall be reviewed annually based on the above criteria.

6. GOVERNANCE REQUIREMENTS RELATING TO MATERIAL SUBSIDIARIES

The Company shall comply with the following requirements in relation to its Material Subsidiaries, as applicable:

6.1 Independent Director on the Board of Unlisted Material Subsidiary

At least one Independent Director on the Board of the Company shall be appointed as a director on the Board of an **unlisted Material Subsidiary**, whether incorporated in India or outside India, in accordance with Regulation 24(1) of the SEBI LODR Regulations.

For this purpose, the term “Material Subsidiary” shall mean a subsidiary whose turnover or net worth exceeds **20% of the consolidated turnover or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year**, as prescribed under Regulation 24(1) of the SEBI LODR Regulations.

The requirement under this clause shall be applicable notwithstanding the general 10% threshold prescribed under Regulation 16(1)(c) for determining a Material Subsidiary.

6.2 Review by Audit Committee

The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary, in accordance with the applicable provisions of the SEBI LODR Regulations.

6.3 Minutes of Board Meetings

The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of the Company.

6.4 Statement of Significant Transactions and Arrangements

The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

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For the purpose of this clause, "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 unlisted subsidiary for the immediately preceding accounting year**.

6.5 Disposal of Shares or Cessation of Control

The Company shall not dispose of shares in its Material Subsidiary resulting in reduction of its shareholding, either on its own or together with other subsidiaries, to **less than or equal to 50%**, or cease the exercise of control over the Material Subsidiary, except in accordance with the applicable provisions of the SEBI LODR Regulations.

Where applicable, such disposal or cessation of control shall require prior approval of the shareholders of the Company by way of a **special resolution**, except in circumstances specifically exempted under the SEBI LODR Regulations, including where such divestment is made pursuant to a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under the Insolvency and Bankruptcy Code, 2016, as applicable.

6.6 Disposal or Leasing of Assets

The Company shall not sell, dispose of or lease assets amounting to more than **20% of the assets of the Material Subsidiary on an aggregate basis during a financial year**, unless the same is approved by the shareholders of the Company by way of a **special resolution**, except in cases specifically permitted or exempted under the SEBI LODR Regulations.

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7. EXCEPTIONS AND APPLICABILITY

The requirements contained in this Policy shall be subject to the provisions of the SEBI LODR Regulations, the Companies Act, 2013 and other applicable laws, as amended from time to time.

In the event of any conflict between this Policy and any applicable statutory or regulatory provision, the provisions of such applicable law shall prevail.

Where the SEBI LODR Regulations prescribe different thresholds or requirements for different purposes, the relevant threshold and requirement prescribed under the applicable provision shall be followed.

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8. DISCLOSURE OF THE POLICY

This Policy shall be disclosed on the website of the Company and a web-link thereto shall be provided in the Annual Report of the Company, in accordance with the applicable provisions of the SEBI LODR Regulations.

Any amendment to this Policy shall also be updated on the website of the Company.

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9. REVIEW AND AMENDMENT

The Board of Directors may review and amend this Policy from time to time, either suo motu or on the recommendation of the Audit Committee, to ensure compliance with the applicable provisions of the SEBI LODR Regulations and other applicable laws.

The Policy shall be reviewed whenever there is a change in the applicable statutory or regulatory provisions or whenever the Board considers it necessary or appropriate.

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10. INTERPRETATION

In case of any doubt or ambiguity in the interpretation of any provision of this Policy, the decision of the Board of Directors shall be final and binding.

Any matter not specifically dealt with in this Policy shall be dealt with in accordance with the applicable provisions of the Companies Act, 2013, SEBI LODR Regulations and other applicable laws, as amended from time to time.
