

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Introduction

The Securities Exchange Board of India (SEBI), on September 2, 2015, has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Regulations**"). As per Regulation 16(1)(c) of the Regulations, ReNew Power Limited ("**the Company**") has adopted a policy namely, "**Policy for Determining Material Subsidiary**" ("**the Policy**") by passing a Board resolution on 5th April 2018. The Company has formulated the Policy to determine Material Subsidiary(ies) of the Company.

Definitions

"**Act**" means the Companies Act, 2013, rules framed thereunder and any amendments thereto.

"**Audit Committee**" shall mean a committee constituted by the Board of the Company in accordance with Section 177 of the Act and Regulation 18 of the Regulations.

"**Board**" shall mean Board of Directors of ReNew Power Limited, as constituted from time to time.

"**Independent Director**" shall mean a Director as defined under sub-section (6) of Section 149 of the Act.

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

"**Net Worth**" shall mean the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

"**Policy**" shall mean this policy, as amended from time to time.

"**Significant transaction or arrangement**" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10 % (ten per cent) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

"**Subsidiary**" shall mean a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and rules made thereunder.

All other words and expressions used but not defined in this Policy but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/ or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

Corporate Governance requirements with respect to Subsidiaries

1. 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, incorporated in India.
2. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted Material Subsidiary.
3. The minutes of the meetings of the Board of Directors of the unlisted Material Subsidiary shall be placed at the meeting of the Board of the Company.
4. The management of the unlisted Material Subsidiary shall periodically place a statement of all significant transactions and arrangements entered into by the unlisted Material Subsidiary before the Board.

5. The Company shall not dispose off shares in its unlisted Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% (fifty percent) or cease the exercise of control over the Material Subsidiary without passing a Special Resolution at its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
6. Selling, disposing and leasing of assets amounting to more than 20% (twenty percent) of the assets of the material subsidiary(ies) on an aggregate basis during a financial year shall require prior approval of Shareholders of the Company by way of Special Resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

Disclosures

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

Amendment

The Board shall have power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace the Policy entirely with a new Policy according to subsequent modification(s)/amendment(s) to the Regulations.