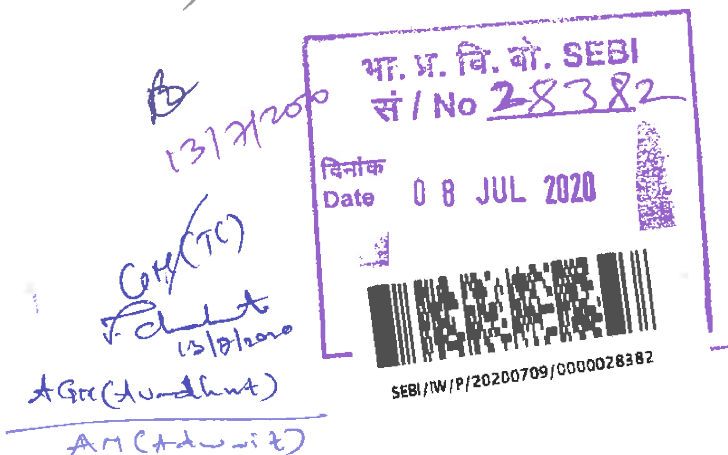


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20th March 2020

The Chief General Manager
 Compliance and Monitoring Division I
 Corporate Finance Department
 Securities and Exchange Board of India
 SEBI Bhavan, Plot C-4-A, 'G' Block,
 Bandra Kurla Complex
 Mumbai 400051.



Dear Sir/Madam,

Sub: Request for Informal Guidance by way of interpretative letter under the provisions of SEBI (Informal Guidance) Scheme, 2003

We submit this letter for seeking an informal guidance in form of interpretative letter under the provisions of SEBI (Informal Guidance) Scheme, 2003 (Scheme) in connection with the compliance of the provisions of Regulation 46 and Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015).

QUERY NO: 1

Ref: Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Background of the Applicant and Facts of our case:

- (i) Redington (India) Limited ("Redington" or "the Company") is a public limited Company incorporated under the provisions of erstwhile Companies Act, 1956. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
- (ii) As on 31st March 2019, the Company had 62 subsidiaries (including direct and step-down subsidiaries) incorporated in India and outside India. Out of these:
 - a. 57 were overseas subsidiaries, with 2 being direct wholly owned direct subsidiaries (Redington International Mauritius Ltd. [RIML] and Redington Distribution Pte. Ltd. [RDPL]) and other 55 being step down subsidiaries under them. RIML is a Special Purpose Vehicle and Redington Gulf FZE (RGF) is a wholly owned subsidiary of RIML. RGF has 50 Subsidiaries/step down subsidiaries which are based in Middle East, Turkey, Africa and South Asia.



b. 5 Direct/step down subsidiaries were incorporated in India.

- (iii) Out of the aforesaid overseas subsidiaries, during the year two subsidiaries were liquidated and one subsidiary got merged.
- (iv) In accordance with the laws of the countries of incorporation of some of the step down subsidiaries incorporated outside India, there is no statutory requirement to get the annual financial statements audited and some subsidiaries/step-down subsidiaries do not have requirement to conduct Board meetings and prepare minutes for them.

2. Applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

Pursuant to the amended Regulation 46 of SEBI (LODR) Regulations, 2015 (Listing Regulations), the Company is required to disseminate on its website, separate audited financial statements of each of its subsidiary in respect of the relevant financial year, at least 21 days prior to the date of the Annual General Meeting.

Applicable provisions of Companies Act, 2013:

In terms of Section 136(1) of the Companies Act, 2013 (the Act), every listed company having a subsidiary or subsidiaries shall place separate audited accounts in respect of each of subsidiary on its website. However, the Ministry of Corporate Affairs (MCA) has granted the below mentioned relaxation to the listed companies in respect of their foreign subsidiaries.

In terms of the proviso to Section 136(1) of the Act, a listed company which has a subsidiary incorporated outside India (herein referred to as "foreign subsidiary")—

(a) where such foreign subsidiary is statutorily required to prepare consolidated financial statement under any law of the country of its incorporation, the requirement of this proviso shall be met if consolidated financial statement of such foreign subsidiary is placed on the website of the listed company;

(b) where such foreign subsidiary is not required to get its financial statement audited under any law of the country of its incorporation and which does not get such financial statement audited, the holding Indian listed company may place such unaudited financial statement on its website and where such financial statement is in a language other than English, a translated copy of the financial statement in English shall also be placed on the website.

Facts of our Case:

Under the laws of countries of incorporation, 8 step down subsidiaries of the Company do not have requirement to get their financial statements audited.



As per local laws applicable, both RIML and RDPL, the only Direct subsidiaries of the Company incorporated outside India, are required to prepare Consolidated financial Statements in accordance with International Financial Reporting Standards and get them audited.

3. Action proposed by the Company:

RIML and RDPL shall be preparing the audited consolidated financial statements in accordance with the local laws of the Country of its Incorporation viz. Mauritius and Singapore.

The aforesaid audited consolidated financial statements shall be placed on the website of the Company at least 21 days prior to the date of the Annual General Meeting of the Company.

The aforesaid would ensure due compliance with the requirements of Section 136 (1) of the Act.

4. Informal Guidance Sought:

In terms of clause 5(ii) of the Scheme, we hereby request you to kindly issue an interpretative letter with your guidance on-

- Whether the proposed action by the Company, as stated in 3 above would meet the compliance requirements of Regulation 46 of the Listing Regulations.
- Whether there is anything else that the Company is required to do to comply with the requirements of Regulation 46 of the Listing Regulations in regard to RIML/ RDPL and/or their subsidiaries/step-down subsidiaries.
- Whether the Company can follow similar guidance that would be provided by you in respect of the above for any subsidiaries/ step down subsidiaries incorporated outside India that may be acquired/incorporated in the future.

QUERY NO: 2

Ref: Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.



Pursuant to the amended Regulation 24 of SEBI (LODR) Regulations, 2015 (Listing Regulations), the Company is required to place the minutes of meetings of Board of Directors of the unlisted subsidiaries at its Board meetings.

Applicable provisions of Secretarial Standard notified under Companies Act, 2013:

Guidance note on Secretarial Standard on Board meeting (SS1) provides that only the Company Secretary in practice appointed by the Company, the Secretarial Auditor, Statutory Auditors, Cost Auditor and Internal Auditor of the Company can inspect the minutes of the meetings of Board of Directors as they may consider necessary for the performance of their duties in addition to the Directors of the Company.

There is no requirement of placing minutes of meetings of Board of Directors of the subsidiary companies.

Facts of our Case:

As mentioned earlier, RIML is a wholly owned subsidiary of the Company incorporated outside India and RGF is a wholly owned subsidiary of RIML which is also incorporated outside India. RGF has 47 subsidiaries/step down subsidiaries located outside India as on date. Out of these, around 17 step down subsidiaries do not have requirement to constitute a separate Board. Out of remaining step down subsidiaries:

- a. Around 6 step down subsidiaries do not have requirement to conduct Board meetings and prepare minutes for them.
- b. One of the step down subsidiaries has requirement to conduct Board meeting but do not requirement to prepare minutes for the meetings.
- c. The Board decisions of the remaining step down subsidiaries are limited to (a) adoption of accounts (b) declaration of dividend (c) change in authorised signatories of banks.
- d. Currently, the Company is getting the documents with respect to the above activities.

2. Action proposed by the Company:

RIML and RDPL shall be preparing the minutes of meetings of its Board of Directors and submit to Redington (India) Ltd to meet its requirement of complying with Regulation 24 of SEBI (LODR) Regulations, 2015.

While preparing the minutes as aforesaid, both RIML and RDPL will consider and include any key decisions taken by the subsidiaries and significant or material events and issues which would have any bearing on the interest of the investments made in these subsidiaries.



This will meet the requirement Regulation 24 of SEBI LODR Regulations to protect the interest of the investments made by the Company and would ensure that the burden of drafting and providing the documents which are not applicable as per their law of land of incorporation of these subsidiaries.

3. Informal Guidance Sought:

In terms of clause 5(ii) of the Scheme, we hereby request you to kindly issue an interpretative letter with your guidance on-

- Whether the proposed action by the Company, as stated in 2 above would meet the compliance requirements of Regulation 24 of the Listing Regulations.
- Whether there is anything else that the Company is required to do to comply with the requirements of Regulation 24 of the Listing Regulations in regard to RIML/ RDPL and/or their subsidiaries/step-down subsidiaries.
- Whether the Company can follow similar guidance that would be provided by you in respect of the above for any subsidiaries/ step down subsidiaries incorporated outside India that may be acquired/incorporated in the future.


We have enclosed herewith a Cheque bearing reference number: 682812 dated 17th March 2020 drawn on DBS Bank for Rs. 25,000/- (Rupees Twenty Five Thousand only) in favour of Securities Exchange Board of India, towards fees specified in the Scheme.

We would be pleased to furnish any additional information as may be required in support of this request seeking informal guidance.

Thanking you,

Yours faithfully,

For Redington (India) Limited


M Muthukumarasamy
Company Secretary

