



SHREE RAMA MULTI-TECH LIMITED

Regd. Office: 301, Corporate House, Opp. Torrent House, Income Tax, Ahmedabad – 380 009

Phone: 079 – 2754 6800, 2754 6900, Email id: cslegal@srmtl.com,

Website: www.srmtl.com, CIN: L25200GJ1993PLC020880

POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES

PREAMBLE:

This revised 'Policy for determination of Material Subsidiaries' has been approved by the Board of Directors at its meeting held on 13th February, 2019 pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments or modifications thereof and shall be effective from 1st April, 2019.

The purpose of this Policy is to determine the 'Material Subsidiaries' of the Company, if any, and to provide the Corporate Governance framework for such 'Material Subsidiaries'.

DEFINITIONS:

“Company” or “SRMTL” shall mean Shree Rama Multi-Tech Limited

“Consolidated Income or Net-worth” means the total income or net-worth of the Company and its Subsidiaries.

“Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“SEBI (LODR) Reg., 2015” or “Listing Regulations” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments or modifications or re-enactments thereof, as may be prescribed from time to time.

“Significant transactions and arrangements” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

MATERIAL SUBSIDIARY:

Pursuant to Reg.16(1)(c) of the SEBI (LODR) Reg., 2015, any Subsidiary Company of the Company shall be treated as a “Material Subsidiary”, if any of the following conditions are satisfied:

- a) whose income exceeds 10% of the consolidated income of the Company and its Subsidiaries in the immediately preceding accounting year; OR
- b) whose net worth exceeds 10% of the consolidated net worth of the Company and its Subsidiaries in the immediately preceding accounting year.



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CORPORATE GOVERNANCE FRAMEWORK:

- a) At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of an Unlisted Material Subsidiary, whether incorporated in India or not.

Explanation - For the purposes of clause (a) mentioned above, notwithstanding anything to the contrary contained in Regulation 16 of SEBI (LODR) Reg., 2015, the term “**material subsidiary**” shall mean a subsidiary, whose income or net worth exceeds **twenty percent** of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- b) The Audit Committee of the Board of Directors of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company(ies).
- c) The Minutes of the meetings of the Board of Directors of the unlisted subsidiary company(ies) shall be placed at the meeting of the Board of Directors of the Company.
- d) The management of the unlisted material subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
- e) If the Company has a Listed Subsidiary Company, if any, which is itself a holding company, the provisions of Regulation 24 of SEBI (LODR) Reg., 2015 shall apply to the Listed Subsidiary Company in so far as its subsidiaries are concerned.

DISPOSAL OF MATERIAL SUBSIDIARY:

The Company shall not:

- a) dispose of the shares in its Material Subsidiary resulting in reduction of the Company’s shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where divestment is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- b) sell, dispose off and lease assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.



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AMENDMENT:

This Revised Policy may be further amended from time to time by the Board of Directors.

GENERAL:

In case of any inconsistency between the terms of this Policy and any existing or newly enacted law, rule, regulation or standard including amendments thereof governing the Company, such law, rule, regulation or standard including amendments thereof will take precedence over this Policy and procedures until such time this Policy is changed to conform to the law, rule, regulation or standard including amendments thereof.

IMPLEMENTATION:

The Board of Directors may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
