



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 ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS

PREAMBLE:

This Policy for Materiality of Related Party Transactions and dealing with Related Party Transactions is approved by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of Companies Act, 2013, including amendments or modifications thereof. This 'Nomination and Remuneration Policy' has been approved by the Board of Directors at its meeting held on 13th February, 2019 and shall be effective from 1st April, 2019.

This Policy aims at identification of related parties, manner of dealing with Related Party Transactions, identifying materiality of transactions with related parties and proper conduct and documentation of all related party transactions.

DEFINITIONS:

means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

or shall mean Shree Rama Multi-Tech Limited

” A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Notwithstanding the above, a transaction involving payments made to a related party with respect to **brand usage or royalty** shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity.

"Promoter" and "Promoter Group" shall have the same meaning as assigned to them respectively in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or amendments thereof.

means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards. **Provided that** any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company shall be **deemed to be a related party**.



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"Related Party Transactions" mean a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

shall have the same meaning as assigned under section 2(77) of the Companies Act, 2013 and rules prescribed there under.

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.

with a related party” shall be construed to include a single transaction or a group of transactions in a contract.

MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS:

A. Identification of related party transactions:

Pursuant to Section 184 of Companies Act, 2013, every Director of the Company shall disclose the nature of his concern or interest, in any way, whether directly or indirectly, in any companies or bodies corporates, firms or other association of individuals, which shall include the shareholding, during following instances:

- at the first meeting of the Board of Directors in which he participates as a director
- at the first meeting of the Board of Directors in every financial year
- whenever there is any change in the disclosures already made

The Company will identify potential transactions with related parties based on the disclosures received from its Directors, related parties identified pursuant to Companies Act, 2013 as well as applicable accounting standards.

Where any directors are interested in any related party transaction, such director will abstain from discussion and voting on the subject matter of resolution relating to such transaction.

B. Procedure for approval of related party transactions:

i) Prior approval of the Audit Committee:

All related party transactions shall require prior approval of the Audit Committee and the Audit Committee shall recommend to the Board of Directors for its approval.

ii) Approval of the Board of Directors and the Shareholders of the Company:

- All Related Party Transactions entered into by the Company shall be subject to approval of Board of Directors.



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- Further, all such related party transactions exceeding threshold limits prescribed in the Section 188 of the Companies Act shall also require prior approval of shareholders of the Company by way of ordinary resolution and related parties shall abstain from voting on such resolution.
- If any contract or arrangement is entered into by a Director or any other employee or if the contract or arrangement is with a related party to any director, or authorized by any other director, without obtaining the consent of the Board or shareholders, as the case may be, the provisions contained under Companies Act, 2013 and SEBI (LODR) Reg., 2015 shall be applied to such a case.
- All the Related Party Transactions which are ‘Material’ pursuant to the Listing Regulations shall require approval of the shareholders through resolution and no related party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.
- All related party transactions (other than Material Related Party Transactions) which are not in ordinary course of business or not at arm’s length price shall require prior approval of the Board of Directors of the Company.

C. Omnibus approval by Audit Committee:

- i) The Board of Directors shall authorize the Audit Committee specifying the criteria for granting of omnibus approval by the Audit Committee in accordance with the Companies Act, 2013 and SEBI (LODR) Reg., 2015.
- ii) The Audit Committee may grant omnibus approval for the related party transactions proposed to be entered into by the Company, subject to such conditions and compliances as prescribed under the Companies Act, 2013 as well as SEBI (LODR) Reg., 2015 after obtaining approval of the Board of Directors.
- iii) The Audit Committee shall satisfy itself on the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.
- iv) The omnibus approval shall specify following:
 - the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - the indicative base price / current contracted price and the formula for variation in the price if any and
 - such other conditions as the Audit Committee may deem fit.



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- v) However, in case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs.1 crore per transaction.
- vi) The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.
- vii) Such omnibus approval shall be valid for a period of one financial year and shall require fresh approvals after the expiry of such financial year.

THRESHOLD LIMITS:

The Board of Directors at its meeting held on 13th February, 2019 has approved the following threshold limits for each Financial Year of the Company.

Maximum Value of Transactions in aggregate	Up to Rs. 2 Crore
Maximum Value per transaction	Up to Rs. 2 Crore

The above mentioned threshold limits may be amended by the Board of Directors from time to time.

DISCLOSURES:

- 1) The Company shall disclose, in the Board's Report, such particulars of contracts or arrangements referred in Section 188(1) of the Act with the related parties, in accordance with Section 134 of the Companies Act, 2013.
- 2) Details of all material related party transactions with related parties shall be disclosed quarterly in the Compliance Report on Corporate Governance.
- 3) Disclosures prescribed under Schedule V of SEBI (LODR) Reg., 2015 in respect of related party transactions shall be disclosed in the Annual Report.
- 4) Submission of details of related party transactions on a consolidated basis within 30 days from the date of publication of standalone/ consolidated financial results for the half year to the Stock Exchanges and publication of the same on the website of the Company.

AMENDMENT:

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



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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.
