



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

(As amended and approved by the Board of Directors on 9th February, 2022)

PREAMBLE:

This Policy for Materiality of Related Party Transactions and dealing with Related Party Transactions (“Policy”) 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 Policy has been amended and approved by Board of Directors at its meeting held on 9th February, 2022 and the amended policy shall be effective from 1st April, 2022.

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:

“**Arm’s length transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

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

“**Material Related Party Transactions**” 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

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 five percent of the annual consolidated turnover of the Listed entity 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.

“**Related Party**” 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:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:



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- (i) of twenty per cent or more; or
 - (ii) of ten per cent or more, with effect from April 1, 2023;
- in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;
- shall be deemed to be a related party:”

"Related Party Transactions" means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
 - (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;
- regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

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

“Audit Committee” The term “Audit Committee” means the committee of Board of Directors of the Company constituted in accordance with the provisions of Reg. 18 of SEBI(LODR) Regulations, 2015, Companies Act, 2013 and Rules made thereunder.

“Material Modification” Audit Committee in its meeting held on 9th February, 2022 has defined material modification as a modification in value of transaction(s) or terms and conditions of transactions which exceeds 20 per cent of the related party transaction of the listed entity.



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“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.

“Transaction 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, Listing Regulations and 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 and subsequent material modifications shall require prior approval of the Audit Committee and the Audit Committee shall recommend to the Board of Directors for its approval.

- a) *a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;*



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- b) *with effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.*
- c) *prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.*

Explanation: *For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the listed subsidiary shall suffice.*

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.
- 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 and subsequent Modifications which are 'Material' pursuant to the Listing Regulations shall require prior 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.



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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.
- 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 1st November, 2021 has approved the following threshold limits for each Financial Year of the Company.

Maximum Value of Transactions in aggregate	Up to Rs. 5 Crore
Maximum Value per transaction	Up to Rs. 5 Crore

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



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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) The listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website:

Provided further that the listed entity shall make such disclosures every six months within fifteen days from the date of publication of its standalone and consolidated financial results:

Provided further that the listed entity shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023”.

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.
