



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

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The appointment of Independent Directors on the Board of Directors of the Company is mandatory under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Terms and Conditions of appointment of Independent Directors mentioned hereunder shall come into force on 1st day of April, 2019.

DEFINITIONS:

“Act” shall mean Companies Act, 2013 including amendments or modifications or re-enactments thereof, as may be prescribed from time to time.

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

“Independent Director” means a non-executive director, other than a nominee director of the Company:

- A. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
- B. who is or was not a promoter of the Company or its holding, subsidiary or associate company or member of the promoter group of the Company;
- C. who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- D. who has or had no material pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, apart from receiving director's remuneration or having transaction not exceeding ten percent of his total income or such amount as may be prescribed under the Act, during the two immediately preceding financial years or during the current financial year;
- E. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- F. none of whose relatives –
 - a. is holding any security of or interest in the Company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:



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Provided that the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two percent of the paid up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

- b. is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed under the Act, during the two immediately preceding financial years or during the current financial year;
 - c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed under the Act during the two immediately preceding financial years or during the current financial year; or
 - d. has any pecuniary transaction or relationship with the Company, its subsidiary, or its holding, or associate company amounting to two percent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clauses a, b or c above.
- G. who, neither himself, nor whose relative(s) –
- a. holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
 - i. a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
 - ii. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
 - c. holds together with his relatives two percent or more of the total voting power of the Company; or
 - d. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five percent or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company;
 - e. is a material supplier, service provider or customer or a lessor or lessee of the Company;
- H. who is not less than 21 years of age
- I. who is not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director.



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"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.

“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.

APPOINTMENT:

1. The appointment of a Director as an ‘Independent Director’ on the Board of Directors of the Company shall be made in accordance with the provisions of the Companies Act, 2013 and rules framed thereunder as well as SEBI (LODR) Reg., 2015.
2. The terms of appointment pertaining to tenure, remuneration, termination/ cessation/ resignation, re-appointment and such other terms of appointment shall be in accordance with the provisions of the Companies Act, 2013 as well as SEBI (LODR) Reg., 2015.
3. By accepting his appointment, the Director confirms that he/she is able to allocate sufficient time to meet the expectations from the role to the satisfaction of the Board.
4. The appointment of an Independent Director shall not be liable to retirement by rotation as per the provisions of Section 149(13) of the Act.
5. No person shall be appointed or continue as an Alternate Director for an Independent Director of the Company.
6. The Independent Director shall not be an employee of the Company

ROLE AND DUTIES:

1. The Independent Directors of the Company shall abide by the guidelines of professional conduct specified under Schedule IV of the Companies Act, 2013.
2. The Independent Directors shall perform the functions and duties as envisaged under the Companies Act, 2013 and SEBI (LODR) Reg., 2015.
3. The Independent Director shall adhere following principles in the due course of their tenure of appointment:
 - a) act in accordance with the Company's Articles of Association as may be amended from time to time;
 - b) act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company;
 - c) discharge their duties with due and reasonable care, skill and diligence;
 - d) not involve himself/ herself in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;



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- e) not achieve or attempt to achieve any undue gain or advantage either to self or to their relatives, partners or associates;
- f) not assign his/her office as Director and any assignments so made shall be void;
- g) act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- h) not disclose confidential information, including Unpublished Price Sensitive Information (UPSI), commercial secrets, technologies, advertising and sales promotion plans, unless such disclosure is expressly approved by the Board or required by the law.

SEPARATE MEETING:

1. The Independent Directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management.
2. All the independent directors shall strive to be present at such meeting.

EVALUATION:

Evaluation by Independent Directors:

- A. The Board of Directors will carry out an evaluation on an annual basis as per Company's Policy.
- B. The Independent Directors in their meeting referred above, inter alia-
 - a) review the performance of non-independent directors and the board of directors as a whole;
 - b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
 - c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Evaluation of Independent Directors:

The evaluation of Independent Directors shall be done by the entire board of directors which shall include:

- a) performance of the directors; and
- b) fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.



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DISCLOSURE:

1. Every Independent Director shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, submit a declaration that:
 - A. he meets the criteria of independence as provided in SEBI (LODR) Reg., 2015/ Companies Act, 2013 and
 - B. he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.
2. Any Independent Director who is interested or concerned, whether directly or indirectly, in any contract or arrangement or transaction to be entered into by the Company, shall disclose his/ her interest or concern not later than when the transaction or arrangement comes up at a Board Meeting/ Committee Meeting for final approval and the interested/ concerned Independent Director shall not participate for such agenda item at the Board/ Committee Meeting.

Further, such interest/ concern of the Independent Director shall be recorded in the Minutes of the respective meeting.

A general notice that he/she is interested in any contract with a particular person, firm or company may be acceptable.

CESSATION:

1. Independent Director may resign from his/her position at any time during his/ her tenure and with a service of a reasonable written notice on the Board specifically mentioning therein the following:
 - a) Detailed reason for his/ her resignation as Independent Director from the Board of the Company.
 - b) Confirmation that there is/are no material reasons other than the reasons of resignation provided by him.
2. The Board of Directors may by serving a Notice to the concerned Independent Director, mentioning therein the detailed reason(s), terminate the tenure/ remove an Independent Director from the Board of the Company on account of non-fulfillment of criteria prescribed under the laws, breach of Code of Conduct of the Company, non-adherence to the principles laid down under the Terms and Conditions mentioned herein, such other cause/ reason as the Board of Directors deem fit in the interest of the Company.



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3. Upon termination or upon resignation for any reason, duly intimated to the Company, Director shall not be entitled to any compensation for loss of office.

CODE OF CONDUCT:

During the tenure of appointment, an Independent Director of the Company is required to comply with following:

- a) Provisions contained in Schedule IV of the Companies Act, 2013;
- b) Code of Conduct;
- c) Code of Conduct to Regulate, Monitor and Report Trading by Insiders;
- d) Vigil Mechanism/ Whistle Blower Policy;
- e) Such other code/ policies as may be applicable to Independent Directors including as a Director of the Company from time to time.

PUBLICATION:

Pursuant to the provisions of Companies Act, 2013 and SEBI (LODR) Reg., 2015, the above mentioned Terms and Conditions of appointment of Independent Directors of the Company shall be hosted on the website of the Company.

AMENDMENT:

The Terms and Conditions of appointment of Independent Directors may be further amended from time to time by the Board of Directors.

GENERAL:

In case of any inconsistency between the terms of provisions mentioned herein above 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 the terms of provisions mentioned herein above until such time the terms are 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 above mentioned terms as considered appropriate.
