



## SHREE RAMA NEWSPRINT LIMITED

### **POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARY:**

In terms of Regulation 16 (c) and 46 2(h) and Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation, 2015, as amended, every listed company has to formulate a policy for determining 'material subsidiaries' and such policy shall be disclosed on the Company's website. Accordingly, the Board of Directors of 'Shree Rama Newsprint Limited' (the Company) has adopted the following policy and procedures with regard to determination of Material Subsidiaries in terms of "LODR Regulations, 2015". The policy may be reviewed and amended from time to time.

#### **Key Definitions:**

**"Audit Committee"** Audit Committee means Committee constituted by the Board of Directors of the Company, from time to time under the provisions of SEBI LODR Regulations, 2015 and Companies Act, 2013.

**"Board of Directors" or "Board"** means the Board of Directors of the Company, as constituted from time to time.

**"Company"** means a company incorporated under the Companies Act, 2013 or under any previous law.

**"Independent Director"** means a Director of the Company not being a whole - time Director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria of Independence under the Companies Act, 2013 and LODR Regulations, 2015.

**"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.

**“Material Unlisted 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.

**“Net Worth”** means net worth as defined in Section 2(57) of the Companies Act, 2013 read with Regulation 2(1)(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

**“Policy”** means Policy for determination of Material Subsidiaries.

**“Significant Transactions or Arrangements”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

**“Unlisted Subsidiary”** means a Subsidiary whose equity shares are not listed on any recognized stock exchange.

**Governance Framework:**

1. At least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.
2. The Audit Committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
3. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity.
4. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

5. A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such 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.
6. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require 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.
7. Where a listed entity has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

**Scope and Limitations:**

In the event of any conflict between the provisions of this Policy and of the Act or Regulations or any other statutory enactments, rules, the provisions of such Act or Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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