



RAM RATNA WIRES LIMITED

POLICY for DETERMINING MATERIAL SUBSIDIARY

(Approved on 7th February, 2018 and revised on 30th May, 2019)

POLICY FOR DETERMINING "MATERIAL" SUBSIDIARIES

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. PHILOSOPHY

This policy shall be called 'Policy for Determining Material Subsidiaries' of RAM RATNA WIRES LIMITED ("the Company").

This policy has been formulated for determining material subsidiary of the Company in accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), which requires every listed company to formulate a policy for determining a "material" subsidiary and Regulation 46(2)(h) of the Listing Regulations which requires each listed company to publish such policy on its website. The Company has investments in subsidiary. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all applicable laws and regulations, as may be amended from time to time.

2. OBJECTIVE OF THE POLICY:

The objective of this Policy is to determine:

- i) Meaning of Material Subsidiary;
- ii) Requirement of Independent Director in certain Material Unlisted Indian Subsidiaries;
- iii) Restriction on disposal of shares of Material Subsidiary by the Company;
- iv) Restriction on transfer of assets of Material Subsidiary; and
- v) Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. MEANING OF TERMS USED

- a. "Act" means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.

- b. "Audit Committee" shall mean the Audit Committee of the Board of Directors or such other Committee as may be approved by the Board of Directors, from time to time, under the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. "Board" refers to the Board of Directors of the Company.
- d. "Independent Director" shall have the meaning given to it in the Companies Act, 2013.
- e. "Significant transaction or arrangement" 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.
- f. "Subsidiary(s)" shall mean subsidiaries of the Company as defined under the Act and as per applicable accounting standards.
- g. "Unlisted Subsidiary" means an unlisted Subsidiary of the Company.

All terms used in the policy, but not defined above shall have the meanings as prescribed in the Act or the Regulations, as the case may be.

4. POLICY AND PROCEDURES

- i) The Company shall consider a Subsidiary as a material subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of Ram Ratna Wires Limited and its subsidiaries in the immediately preceding accounting year. (hereinafter referred to as "Material Subsidiary").
- ii) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
- iii) The Company shall nominate at least one Independent Director on the Board of Directors of Ram Ratna Wires Limited as a Director on the Board of Directors of the unlisted Material Subsidiary whether incorporated in India or not and whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of Ram Ratna Wires Limited and its subsidiaries in the immediately preceding accounting year.
- iv) The minutes of the meetings of the Board of Directors of the unlisted Subsidiary shall be placed at the Board meeting of the Company at regular intervals.

- v) The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- vi) The Company shall follow such governance procedures in relation to Material Subsidiaries as may be outlined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act from time to time.

5. The Company shall not:

- a. dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than fifty percent (50%)/ 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 exchange within one day of the resolution plan being approved ; and
- b. sell, dispose and/or lease assets amounting to more than twenty percent {20%} 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 exchange within one day of the resolution plan being approved.

- 6. The Management of the Company shall monitor and ensure that as and when any of the subsidiary is determined as a Material Subsidiary the same shall be intimated to the Audit Committee. The Audit Committee shall review the same and make suitable recommendations to the Board to ensure compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard.**

7. AMENDMENTS

The Board of the Company (including the Audit Committee of the Board) may amend the policy from time to time depending upon the requirements of the provisions of the Act and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.