

SHREE RAM URBAN INFRASTRUCTURE LIMITED

MATERIAL SUBSIDIARY POLICY

Preamble:

Securities and Exchange Board of India ("SEBI") through the SEBI (Listing Obligations and disclosure Requirements) Regulations 2015 (Listing Regulations) made it mandatory to all listed companies to formulate a policy for determining "material subsidiaries"

The Board of Directors (the "Board") of Shree Ram Urban Infrastructure Limited (the "Company" or "SRUIL"), has therefore, adopted the following Policy and procedures with regard to determination of Material Subsidiaries, as defined in this Policy.

1. Objective:

This Policy is framed, in accordance with the requirement of SEBI (Listing Obligations and disclosure Requirements) Regulations 2015 (Listing Regulations) intended to ensure governance of material subsidiary companies.

2. Definitions:

Material Subsidiary is a subsidiary that satisfies any of the following conditions:

- a) In which Investment of the Company, exceeds 20% of its consolidated net worth as per the audited balance sheet of previous financial year; or
- b) Which have generated 20% of the consolidated income of the company during the previous financial year.

Material non-listed Indian subsidiary shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Significant transactions or arrangements shall mean any individual transaction or Arrangement that exceeds or is likely to exceed 10% of the total revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

Subsidiary shall be as defined under the Companies Act, 2013.

3. Policy:

A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

- a. Investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of previous financial year ; or
- b. the subsidiary has generated 20% of the consolidated income of the Company during the financial year.

Atleast one Independent Director of the Company shall be a director on the Board of the material non-listed Indian subsidiary company.

The Audit Committee shall also review the financial Statements, in particular, the investments made by the unlisted subsidiary company.

The minutes of the Board Meetings of the unlisted subsidiary company shall be placed at the Board Meeting of the Company.

The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

The Company, without passing a special resolution in a General Meeting , shall not

- a. dispose the shares held in material subsidiaries which would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than 50% *; or
 - b. cease the exercise of control over the subsidiary *; or
 - c. sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal
- except in case where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

4. Disclosures

The above policy will be modified as and when there are changes to the regulations including the Companies Act, Listing Regulations and guidelines issued by SEBI.

