

ramco

**RAMCO SYSTEMS LIMITED**

**POLICY ON MATERIAL  
SUBSIDIARIES**

## POLICY ON MATERIAL SUBSIDIARIES

Under Clause 16(c) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to formulate a Policy for determining “Material Subsidiaries”. Accordingly, this policy is formulated in compliance of the said regulation. This policy is effective 1st December 2015.

### **Policy:**

- **“Company”** shall mean Ramco Systems Limited.
- **“Subsidiary”** shall mean a Subsidiary as defined under Section 2(87) Companies Act, 2013.
- **“Material Subsidiary”** shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- **“Unlisted Material Subsidiary”** shall mean a Material Subsidiary that is unlisted in India.
- The Audit Committee of the Company shall, at the meeting held every year for considering the audited annual financial statements, review the financial parameters of each of its Subsidiaries to determine whether they are a material subsidiary or not. Based on the review, the Audit Committee may recommend to the Board the Compliances to be in place with respect to each of such material Subsidiaries.
- Any words used in this policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other relevant legislation / law applicable to the Company.

At least one independent director on the Board of Directors of the Company shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For this purpose, term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.