

Shantai Industries Limited

POLICY ON MATERIALITY IN RELATION TO GROUP COMPANIES

1. PURPOSE

To meet the requirement of the SEBI Regulations, it would need to have policy of the Company for identifying the group companies and materiality in this respect. The word “group” or “group companies” are used in various statute and regulation for diverse purpose. This Policy shall be called ‘Policy on Materiality for considering a company as Group Company’ (“the Policy”).

2. DEFINITIONS

- (a) “Act” means the Companies Act, 2013, and Rules made thereunder, as may be clarified, amended, reenacted and for the time being in force.
- (b) “Board” means Board of Directors of the Company for the time in force
- (c) “Company” or “Shantai” or “Shantai Industries Limited” having CIN L45200GJ1988PLC011049
- (d) “SEBI Regulations” shall include Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 (“SEBI (ICDR) Regulations, 2009”) and other regulations, guidelines, circulars etc. as may be issued by SEBI and in force for the time being in force.
- (e) Unless the context require otherwise, words importing the singular include the plural and vice versa and pronouns importing a gender include each of the masculine, feminine and neuter genders and shall be interpreted in the wide sense in spirit of this Policy.

3. EFFECTIVE DATE OF THE POLICY

The Board has approved this Policy in its meeting held on 01.06.2017. This Policy came into effect from 01.06.2017.

4. GROUP COMPANIES

A Company shall be considered material for the purpose of its inclusion as a group company in terms of the requirements of SEBI (ICDR) Regulations, 2009 if and only if it fulfils any of the following criteria:

- (i) Companies as per applicable accounting standards, as mentioned in our annual financial statements for fiscal year 2017 (except companies that may be consolidated in accordance with Accounting Standards 21, if any); and
- (ii) Any other company or companies, as the Board may identify as material group companies of Shantai Industries Limited. For the purpose of this paragraph, a company shall be considered material if:
 - (a) our Company or our Promoters holds 10% or more of the equity share capital of such company; and

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(b) our Company has entered into one or more transactions with such company during the last completed financial year, which in value exceeds 10% of the total consolidated revenue of the Company for that financial year as per the audited financial statements of the Company.

5. CLARIFICATION AND REVIEW OF THE GUIDELINES

In consultation with the Managing Director, Chief Financial Officer and Company Secretary may issue clarification and procedural alteration for effective and smooth implementation of this Policy.

In case of any further mandatory requirement or amendment in the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI ICDR Regulations, 2009 direction or clarification, provision of this Policy shall be read and implemented in context of such amended or clarified positions.

6. AMENDMENT IN THE POLICY

This policy may be reviewed, amended, added or substituted by the Board as it thinks fit.