

MAN INFRACONSTRUCTION LIMITED

POLICY ON MATERIAL SUBSIDIARIES



1. Introduction

The Board of Directors (the “Board”) of Man Infraconstruction Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time. This Policy will be applicable to the Company effective 1st October 2014. This Policy is in terms of Clause 49(V) of the Listing Agreement with the Stock Exchanges.

2. Policy Objective

To determine the Material Subsidiaries of Man Infraconstruction Limited.

3. Definitions

“**Audit Committee or Committee**” means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 2013.

“**Board of Directors**” or “**Board**” means the Board of Directors of Man Infraconstruction Limited, as constituted from time to time.

“**Company**” to mean Man Infraconstruction Limited.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**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 other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

“**Policy**” means Policy on Material Subsidiaries.

“**Material Non Listed Indian Subsidiary**” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges

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

“**Subsidiary**” shall mean a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and the Rules made thereunder.



4. Policy

- i. A subsidiary shall be a Material Subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- ii. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
- iii. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the material unlisted subsidiary Company on an annual basis.
- iv. The minutes of the Board Meetings of the material unlisted Subsidiary Companies shall be placed before the Board of the Company on an half yearly basis.
- v. The management shall on a half yearly basis bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the material unlisted subsidiary company.
- vi. The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.

5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution, shall not:

- i. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal; or
- ii. ceases the exercise of control over the Subsidiary; or
- iii. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary.

6. Disclosures

The Policy for determining material subsidiaries is to be disclosed on the company's website and in the Annual Report of the Company.