

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 with immediate effect. This Policy is in accordance with 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 an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20% of its consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

“**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.

“**Management**” shall mean the Senior Management and Key Managerial Personnels of Man Infraconstruction Limited.

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4. Scope & Applicability:

- a. The Subsidiary shall be considered as Material if the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.
- b. In case if a listed holding Company has a listed subsidiary, the policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

5. Policy:

- i. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
- ii. 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.
- iii. The minutes of the Board Meetings of the material unlisted Subsidiary Companies shall be placed before the Board of the Company.
- iv. 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.
- v. 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.

6. Disposal of Shares or Assets of Material Subsidiary(ies):

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/Company Law Board; 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 unless such sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/ Tribunal/Company Law Board.

7. Disclosures:

The Policy for determining material subsidiaries shall be disclosed on the company's website and a web-link of the same shall be given in the Annual Report.