

# MAN INFRACONSTRUCTION LIMITED

## POLICY FOR DETERMINING MATERIAL SUBSIDIARIES



### 1. TITLE

This policy shall be called the 'Policy for determining Material Subsidiaries'.

### 2. INTRODUCTION

The board of directors ("**Board**") of Man Infraconstruction Limited ("**Company**") has adopted the following policy and procedures with regard to determination of "Material Subsidiaries" in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**").

### 3. DEFINITIONS

- 3.1. "**Audit Committee**" means Audit Committee constituted by the Board of Directors of the Company, from time to time, under the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations.
- 3.2. "**Companies Act**" means the Companies Act, 2013 read with the rules thereunder, as amended.
- 3.3. "**Independent Director**" means an independent director referred to in Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
- 3.4. "**Material Subsidiary**" means a Subsidiary shall be considered as Material Subsidiary if it fulfils the conditions for being classified as Material Subsidiary as mentioned in this Policy.
- 3.5. "**Significant Transaction or Arrangement**" as per Explanation to Regulation 24(4) of the SEBI Listing Regulations 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 unlisted Subsidiary for the immediately preceding accounting year.
- 3.6. "**Subsidiary**" shall be a subsidiary of the Company, as defined under Section 2(87) of the Companies Act.

### 4. POLICY

- 4.1. A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:
  - a) net-worth of the Subsidiary exceeds 10% of the Company's consolidated net-worth in the immediately preceding accounting year; or
  - b) income of the Subsidiary exceeds 10% of the Company's consolidated income in the immediately preceding accounting year.

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- 4.2. At least 1 (one) Independent Director of the Company shall be a director on the Board of the unlisted Indian Material Subsidiary company, whether incorporated in India or not. Material Subsidiary, for the purpose of this clause, means a Subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.
- 4.3. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary on an annual basis.
- 4.4. The minutes of the Board meetings of the unlisted Subsidiary shall be placed before the Board of the Company.
- 4.5. The management of unlisted Subsidiary shall periodically bring to the attention of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by an unlisted Material Subsidiary.
- 4.6. The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the Company.

## 5. DISPOSAL OF MATERIAL SUBSIDIARY

- 5.1. The Company, without the prior approval of the members of the Company by special resolution, shall not:
  - a) dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than 50% or cease the exercise of control over the Material Subsidiary without passing a special resolution in its general meeting except in cases where such disinvestment is made under a scheme of arrangement duly approved by a court/tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved; or
  - b) sell, dispose and lease of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year without the prior approval of the shareholders by way of passing special resolution in its general meeting, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by court/tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

## 6. DISCLOSURES

The Policy for determining Material Subsidiaries is to be disclosed on the Company's website and a web link thereto shall be provided in the annual report of the Company.

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### 7. AMENDMENT

The Company may amend or review this policy as and when deemed fit. Any and all provisions of this policy shall also be amended/reviewed as are required due to any regulatory changes from time to time.

In case any amendment(s), clarification(s), circular(s) and guideline(s) issued by Securities and Exchange Board of India, Stock Exchanges, Ministry of Corporate Affairs, not being consistent with the provisions laid down under this policy, then the provisions of such amendment(s), clarification(s), circular(s) and guideline(s) shall prevail upon the provisions hereunder and this policy shall stand amended accordingly effective from the date as laid down under such amendment(s), clarification(s), circular(s) and guideline(s).