

MAN INFRACONSTRUCTION LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS



1. PREAMBLE

The Board of Directors (**the “Board”**) of **Man Infraconstruction Limited** (hereinafter referred to as **the “Company”**), has adopted this Related Party Transactions policy on materiality of Related Party Transactions and on dealing with Related Party Transactions pursuant to the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (**“Listing Regulations”**), as amended from time to time. The Policy is applicable to all Related Party Transactions.

2. PURPOSE

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy also deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

3. APPLICABILITY

This Policy is applicable to **Man Infraconstruction Limited**. The Policy to the extent applicable may be adopted by subsidiary companies. Accordingly, the terms ‘Company’, ‘Board of Directors’, ‘Audit Committee’, shall be construed with reference to the respective companies. In case any company is not required to constitute any of the committee stipulated under the Companies Act, 2013 and / or the Listing Regulations, reference to “committee” in this Policy shall be read as the ‘Board of Directors’.

4. GENERAL GUIDELINES

- 4.1. This Related Party Transactions Policy must be followed for all transactions that the Company enters into with a related party or a transaction which may benefit a Related Party.
- 4.2. This Policy also applies when amending, novating, modifying or terminating an existing contract or agreement or any arrangement between Related Parties.
- 4.3. The value to be ascribed to an amendment or modification of contract which is confirmed as being on ordinary course, arms’ length terms is the change in value of the contract from the existing contract to the new contract. For other contracts the value to be ascribed would be the total value of the (new) amended contract.
- 4.4. When determining the value of a transaction to which the Policy applies, the total value of all commitments arising pursuant to the transaction (including taxes) should be taken into account. Any conditional or contingent amounts and the terms under which such amounts would become payable should also be indicated.



- 4.5. The Policy may be reviewed and updated by the Board of Directors or the Audit Committee from time to time but at least once every three years.

5. DEFINITIONS

“Act” means the Companies Act 2013 and Rules thereunder as amended or modified from time to time.

“Arms’ length transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“Audit Committee” means Audit Committee of the Board of Directors of the Company.

“Ordinary course transaction”: A transaction could be considered in “ordinary course of business” if

- Carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
- In connection with the normal business carried out by the Company;
- Historical practice with a pattern of frequency;
- Common commercial practice;
- Meets any other parameters / criteria as decided by the Board from time to time.

“Material Related Party Transaction” shall mean a transaction to be entered into with and between Related Parties, individually or taken together with previous transactions during a financial year, exceeding the threshold of:

- Rs. 1000 Crore or 10% of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower, or
- 5% of the annual consolidated turnover of the Company as per its last audited financial statements, in case of transactions involving payments made with respect to brand usage or royalty.

“Material modifications to Related Party Transactions” shall mean modification to the related party transaction which substantially changes the nature / tenure of transaction as considered by Audit Committee while approving the transaction at the first instance.

“Related Party” as per the provisions of Companies Act, 2013 and Listing Regulations shall mean:

- (i) a related party as defined under Section 2(76) of the Act;
- (ii) a related party as defined under the applicable Indian Accounting Standards;
- (iii) any person or entity forming a part of the Promoter or Promoter group of the Company;
- (iv) any person or entity, holding equity shares of 20% (10% effective from April 1, 2023) or more in the Company, either directly or on a beneficial interest basis as

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provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year.

“Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) issue of specified securities on a preferential basis, subject to compliance of the requirements under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s).

Any other term not defined herein shall have the same meaning as defined in the Act, the Securities and Exchange Board of India Act, 1992, as amended, or rules and regulations made thereunder including the Listing Regulations, the applicable accounting standards or any other relevant legislation/law applicable to the Company or any other applicable laws and regulations.

6. POLICY

6.1. PRIOR APPROVAL OF AUDIT COMMITTEE

- 6.1.1. All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee.
- 6.1.2. Only those members of the audit committee, who are independent directors, shall approve related party transactions.



- 6.1.3. A related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company (w.e.f April 1, 2023, 10% of the annual standalone turnover, as per the last audited financial statements of the Subsidiary).
- 6.1.4. For related party transactions of unlisted subsidiaries of a listed subsidiary, if any, where the listed subsidiary is a party but the listed entity (the Company) is not a party, prior approval of the audit committee of the listed subsidiary shall be taken, provided regulations 23 and 15 (2) of the Listing Regulations are applicable to the listed subsidiary and prior approval of the Audit Committee of the Listed Entity (the Company) is not required.

6.2. OMNIBUS APPROVAL

Omnibus approval may be obtained from the Audit Committee for certain transactions subject to compliance with the conditions stipulated under the Act read with the Rules framed thereunder and the Listing Regulations including the following:

- The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- The omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit.
- Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction;
- The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given;
- Such omnibus approvals shall be valid for a period not exceeding 1 year and shall require fresh approvals after the expiry of 1 year.



7. BOARD APPROVAL

The Board shall approve RPTs with respect to following transactions, which are not in ordinary course of business and/or not at arm's length:

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g. underwriting the subscription of any securities or derivatives thereof, of the company

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- a. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- b. Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- c. Transactions meeting the materiality thresholds laid down Clause 5 of the Policy, which are intended to be placed before the shareholders for approval.

The Board of Directors shall consider the information/documents related to Related Party Transactions as referred in this clause, as placed before it and either approve or reject the same on merit.

8. SHAREHOLDERS' APPROVAL

- 8.1. All Material Related Party Transactions and subsequent Material Modifications thereto, whether in ordinary course of business and/or arm's length basis or not, shall require prior approval of the shareholders and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
Provided that prior approval of the shareholders of a listed entity (the Company) shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity (the Company) is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.
- 8.2. All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act, shall require prior approval of the shareholders.



9. RELATED PARTY TRANSACTIONS WHERE THIS POLICY IS NOT APPLICABLE

Clauses 6,7 & 8 of this Policy shall not be applicable in the following cases:

- a. Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- b. Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

10. RATIFICATION OF RELATED PARTY TRANSACTIONS IN EXCEPTIONAL CASES:

- Any Related Party Transaction, which is not under omnibus approval, entered into by the Company with a Related Party, without obtaining the consent of Audit Committee or the Board of Directors or approval of shareholders in General Meeting, can in genuine cases be ratified by the Audit Committee or the Board of Directors or the shareholders at a General Meeting, as permitted under the applicable laws.
- While seeking the approval of the Audit Committee, Board or the Shareholders, all information that is relevant and necessary to the Related Party Transaction and as prescribed under the Laws or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board or Shareholders, as the case may be.

11. DISCLOSURE AND REPORTING

Appropriate disclosures will be made in the Annual Return, Board's Report and to the Stock Exchanges as required under the Act and the Listing Regulations.

12. MISCELLANEOUS:

- 12.1. Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules made thereunder, Listing Regulations, applicable Indian Accounting Standards and other applicable provisions for the time being in force.
- 12.2. In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall mutatis mutandis apply to /prevail upon this Policy.