

MAN INFRACONSTRUCTION LIMITED

MATERIALITY OF RELATED PARTY TRANSACTION



POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION

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.

BACKGROUND:

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 on account these transactions.

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'.

GENERAL GUIDELINES:

- 1.1. 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.
- 1.2. This Policy also applies when amending, novating, modifying or terminating an existing contract or agreement or any arrangement between Related Parties.
- 1.3. 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.
- 1.4. 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

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account. Any conditional or contingent amounts and the terms under which such amounts would become payable should also be indicated.

- 1.5. 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.

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.

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"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 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) the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- (ii) the Company 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 Company 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

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.

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PRIOR APPROVAL OF AUDIT COMMITTEE:

- All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee.
- Only those members of the audit committee, who are independent directors, shall approve related party transactions.
- A related party transaction to which the subsidiary of the Company is a party but the Company 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).
- For related party transactions of unlisted subsidiaries of a listed subsidiary, if any, where the listed subsidiary is a party but 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 Company is not required.

OMNIBUS APPROVAL:

The Audit Committee may grant Omnibus approval based on the minimum information provided to it 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;

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- 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.

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 shall also require the Board's 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.

SHAREHOLDERS' APPROVAL:

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.

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Provided that prior approval of the shareholders of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but 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.

All Related Party Transactions, broadly categorized under Board Approval of this Policy, 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 Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, shall require prior approval of the shareholders.

RELATED PARTY TRANSACTIONS WHERE THIS POLICY IS NOT APPLICABLE:

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

RATIFICATION OF RELATED PARTY TRANSACTIONS IN EXCEPTIONAL CASES:

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 SEBI Circular dated February 15, 2025 and any amendment or alteration thereof on the Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board or Shareholders, as the case may be.

DISCLOSURE AND REPORTING:

The Company shall periodically place the statement on related party transactions before the Audit Committee or the Board as the case may be and also make necessary disclosures in the Annual Report, Board's Report and also submit such disclosure with the Stock Exchanges as required under the Listing Regulations.

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FREQUENCY OF REVIEW OF THE POLICY:

The Board is authorized to review/ change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, SEBI LODR Regulations, 2015 and etc.

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.

This Policy is intended to be in conformity with the SEBI LODR Regulations, 2015 and Companies Act, 2013 as on the date of its adoption. However, if due to subsequent modifications in the SEBI LODR Regulations, 2015, the Act or any other applicable law, a provision of this Policy or any part thereof becomes inconsistent with the SEBI LODR Regulations, 2015, the Act, or any other applicable law, then the provisions of such laws, Listing Regulations as modified, shall prevail.

Description	Adoption Date	Approval by
Adoption of Revised Policy	20.05.2025	Board of Directors
Last Revised	19.05.2022	Board of Directors