

## POLICY ON RELATED PARTY TRANSACTIONS

### 1. SCOPE AND PURPOSE

The Company always been committed to best corporate governance practices and this Policy is prepared for ensuring compliance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other regulatory provisions, as may be applicable. Regulation 23(1) of the SEBI Listing Regulations requires a Company to formulate a policy on materiality of Related Party Transactions and dealing with Related Party Transactions. Considering the requirements, Meghna Infracon Infrastructure Limited (Formerly Known as Naysaa Securities Limited) has formulated these guidelines for identification of related parties and the proper conduct, documentation and approval of all Related Party Transactions.

In light of the above requirements, Company has framed this Policy on Related Party Transactions ("Policy").

### 2. OBJECTIVE

The Policy is framed to ensure due and proper compliance with the applicable statutory provisions and to fortify that proper procedure is defined and followed for approval / ratification and reporting of transactions, if any, as applicable, between the Company and any of its Related Parties. The provisions of this Policy are designed to govern the transparency of approval process and disclosures requirements to accord fairness in the treatment of related party transactions.

The objective of this Policy is to set out (a) the materiality thresholds for Related Party Transactions; (b) the manner of dealing in Related Party Transactions based on the provisions of the Act, the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company from time to time; and (c) to provide guidance on various disclosure and reporting requirements for Related Party Transactions.

### 3. DEFINITIONS

"Act" means the Companies Act, 2013 and rules made there under as amended from time to time.

"Associate Company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the

company having such influence and includes a joint venture company.

*Explanation.—For the purposes of this clause- (a) the expression "significant influence" means control of at least twenty (20) percent of total voting power, or control of or participation in business decisions under an agreement; (b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.*

**"Board"** shall mean Board of Directors of the Company.

**"Audit Committee"** shall mean the Audit Committee of the Board of Directors of Meghna Infracon Infrastructure Limited (Formerly Known as Naysaa Securities Limited) duly constituted pursuant to the provisions of Section 177 of the Companies Act, 2013.

**"Company"** shall mean Meghna Infracon Infrastructure Limited (Formerly Known as Naysaa Securities Limited), a Company incorporated under the Companies Act, 1956 and having its registered office at 102/104, Shivam Chambers S. V. Road, Goregaon (W), Mumbai, Maharashtra, India, 400062.

**"Material Modifications"** means any modification or amendment to the related party agreement / transaction which is likely to result in a 50% upward or downward revision in the original contractual value of the related party agreement / transaction approved by the Audit Committee.

**"Material Related Party Transactions"** shall have the same meaning as defined in Regulation 23 of the SEBI Listing Regulations.

**"Relative"** in relation to a Related Party shall have the same meaning assigned to in Section 2(77) of the Companies Act.

**"Related Party"** shall have the same meaning as defined under Section 2(76) of the Companies Act read with Regulation 2(1)(zb) of the SEBI Listing Regulations.

**"Related Party Transactions"** shall have the meaning as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations or as envisaged in Section 188(1) of the Act. Provided that the following shall not be a related party transaction:

(a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) the following corporate actions by the listed entity 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), in the format as specified by the Board; and

(d) any other transactions that may be specifically exempted by the SEBI or any other applicable regulator from time to time.

“SEBI Listing Regulations” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

“Stock Exchange” shall mean the Stock Exchange where the shares of the Company are listed.

“Transaction” shall be construed to include single transaction or a group of transactions in a contract;

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

*Reference and reliance may be placed on any clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Authorities from time to time on the interpretation of any of the terms defined hereinabove.*

#### 4. MATERIAL RELATED PARTY TRANSACTIONS

Regulation 23 of the SEBI Listing Regulations requires the Company to provide materiality thresholds beyond which approval of the shareholders through resolution will be required and no related party shall vote to approve on such resolutions whether the entity is a related party to the particular transaction or not.

Materiality Thresholds for any Related Party Transactions shall be as under:

5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements for related party transaction involving payments made / to be made to any Related Party with respect to brand usage or royalty.

**Rs. 10,00,00,000/- (Rupees Ten Crores) or 10% (ten percent)** of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, for all other related party transaction to be entered into, individually or taken together with the previous transactions during the financial year.

**5. MANNER AND PROCEDURE TO DEAL WITH RELATED PARTY TRANSACTIONS**

**Identification of related parties**

Audit Committee of the Board of Directors shall formulate the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations with the assistance of the senior management of the Company. Audit Committee shall review the list of related parties on an annual basis.

**Identification of Related Party Transactions**

All Related Party Transactions requiring approvals and/or reporting shall be identified by the Company on a continuous basis. Related Party Transactions identified by the Company shall be reported to the Audit Committee of the Company at frequent intervals as may be decided by the Committee from time to time.

**6. APPROVAL REQUIREMENTS FOR RELATED PARTY TRANSACTIONS**

The Company shall not enter into any Related Party Transaction except as stated hereinafter.

**Approval of the Audit Committee**

Related Party Transaction to which Company is a party:

All Related Party Transactions to which the Company is a party to and subsequent Material Modifications thereof shall require prior approval of the Audit Committee of Company;

Related Party Transaction to which Company is not a party:

With effect from April 1, 2022 or such other date as may be notified by SEBI, prior approval of the Audit Committee of the Company shall be obtained for all Related Party Transactions to which subsidiary of Company is a party to but Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% (ten per cent) of the annual consolidated turnover, as per the last audited financial statements of the Company;

With effect from April 1, 2023 or such other date as may be notified by SEBI, prior approval of the Audit Committee of the Company shall be obtained for all Related Party Transactions to which subsidiary of Company is a party to but Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% (ten per cent) of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

Prior approval of the Audit Committee of the Company shall not be required for any related party transaction to which the listed subsidiary is a party but the Company is not a party to, if the provisions of Regulation 23 and sub-regulation (2) of Regulation 15 of the SEBI Listing Regulations are applicable to such listed subsidiary.

**Omnibus approval from the Audit Committee**

Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into, subject to following conditions:

- (i) the Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
- (ii) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;
- (iii) The criteria for granting the omnibus approval in line with the policy shall include the following namely:
  - a) Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
  - b) The maximum value per transaction which can be allowed;
  - c) extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
  - d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
  - e) transactions which cannot be subject to the omnibus approval by the Audit Committee
  - f) such other conditions as the audit committee may deem fit:

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

- (iv) 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.
- (v) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- (vi) 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.
- (vii) The Audit Committee shall not grant omnibus approval for transactions in respect of selling or disposing of the undertaking of the Company
- (viii) Only those members of the audit committee, who are independent directors, shall approve related party transactions.

#### **Approval of the Board of Directors of the Company**

The following transactions shall require a prior approval of the Board:

- i) Related party transactions which are not in the ordinary course of business or not at arm's length price;
- ii) Material related party transactions.

Any member of the Board of Directors falling under the definition of related party shall not vote to approve the relevant transactions irrespective of whether the member is a party to the particular transaction or not. In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- 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;
- 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;
- Transactions which are viewed to be in the ordinary course of business and at arm's length basis by the Management, but which are also tabled to the Board for its approval from an improved governance perspective; and
- Transactions meeting the materiality thresholds laid down in Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.

#### **Approval of the Shareholders of the Company**

All the transactions with related parties meeting the materiality thresholds, laid down in Clause 4 of the Policy, shall be placed before the shareholders for their approval. and no related party shall vote to approve such resolutions whether the entity is a party to the particular transaction or not.

All kinds of transactions specified under Section 188 of the Act which:

- (a) are not in the ordinary course of business or not at arm's length basis; and
- (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.
- (c) For this purpose, no related party shall vote to approve the relevant resolution irrespective of whether the entity is a related party to the particular transaction or not.
- (d) Pursuant to Regulation 23(5)(b) of the SEBI Listing Regulations and Section 188(1) of the Act, the requirement for seeking shareholders' approval shall not be applicable to 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.

- (e) Pursuant to Regulation 23(5)(c) of the SEBI Listing Regulations, the requirement for seeking shareholders' approval shall not be applicable to 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.

#### **7. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction(s) and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction(s). The Committee may examine the facts and circumstances of the case and take any such actions it deems appropriate.

An RPT involving amount not exceeding one crore rupees is entered into by a director or officer of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the RPT, such transactions shall be voidable at the option of the Committee and if the transaction is with the Related Party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it.

#### **8. DISCLOSURES & REPORTING REQUIREMENTS**

##### **Disclosures in the Board's Report**

Company shall, along with the Board's Report placed before the shareholders in the Annual General Meeting, include a statement in Form AOC 2 containing the particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Act.

##### **Disclosures to Stock Exchanges**

- i) Company shall submit to the stock exchanges on a half yearly basis, within the timeliness as prescribed by the Securities and Exchange Board of India from time to time, the disclosures relating to Related Party Transactions in the format as specified by Securities and Exchange Board of India from time to time and publish the same on the website of the Company at <https://meghnarealty.com/>
- ii) Disclosures shall also be made in the Annual Report as specified under the Act and Schedule V of the SEBI LODR, including any amendments made from time to time.
- iii) This policy shall be uploaded on the website of the company i.e. [http](http://)

<https://meghnarealty.com/> and a web link thereto shall be provided in the Board's Report.

**9. CONFLICT IN POLICY**

In the event of a conflict between this Policy and the extant regulations or laws (as may be amended, replaced, restated, from time to time), the relevant provisions contained in the regulations and laws shall prevail over this Policy.

**10. AMENDMENTS IN POLICY**

To the extent any change/ amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law, however, notwithstanding such non-modification or pending such modification, the applicable law and regulations (as changed) shall prevail over the Policy, and the Policy shall be read accordingly. The Audit Committee shall review the Policy periodically and may propose to amend the same from time to time and no alteration in the policy will be made without approval of Board of Directors.

**11. GENERAL**

The power to interpret and administer the Policy shall rest with the Board of Director of the Company under the supervision of the Audit Committee of the Board. The Board is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or tabled before the Audit Committee of the Board, from time to time, to ensure Audit Committee's oversight on these issues.