

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS & DEALING WITH RELATED PARTY TRANSACTIONS

1. PREFACE

The Policy on Materiality of Related Party Transactions & Dealing with Related Party Transactions ("Policy") is framed in accordance with the requirements of Clause 49 of the Listing Agreements with Stock Exchanges, as amended from time to time. The Policy has been approved by the Board of Directors ("Board") of Midas Infra Trade Limited at its meeting held on September 16, 2014 and is applicable w.e.f. October 1, 2014. In view of the SEBI Circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the Policy has been updated and the Board approved this updated Policy at its meeting held on November 18, 2014.

2. DEFINITIONS

- 2.1. "Act" means the Companies Act, 2013.
- 2.2. "Arm's Length Basis" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- 2.3. "Audit Committee" means Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of the Act and the Clause 49 of the Listing Agreement with Stock Exchanges.
- 2.4. "Board" means the Board of Directors of the Company.
- 2.5. "Company" means Midas Infra Trade Limited Limited.
- 2.6. "Key Managerial Personnel (KMP)" means the person(s) appointed as such under Section 203 of the Act.
- 2.7. "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- 2.8. "Policy" means Policy on Materiality of Related Party Transactions & Dealing with Related Party Transactions.
- 2.9. "Related Party" means related party as defined in Clause 49 of the Listing Agreement with Stock Exchanges.
- 2.10. "Related Party Transaction" means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged.

3. POLICY

This Policy aims to determine the materiality of Related Party Transactions and to deal with Related Party Transactions.

3.1. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Every Director and KMP shall at the beginning of the financial year disclose to the Company Secretary of the Company their related parties and disclose any changes thereto during the financial year immediately on becoming aware of such changes. Every Director and KMP will be responsible for providing prior notice to the Audit Committee or the Board of any potential Related Party Transaction involving him / her or his / her Relative, including any additional information about the transaction that the Audit Committee or the Board may reasonably require.

The Audit Committee or the Board will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy. Such notices should be submitted to the Audit Committee or the Board well in advance so that the Audit Committee or the Board has adequate time to obtain and review information about the proposed Related Party Transaction.

3.2. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

3.2.1. AUDIT COMMITTEE

Unless otherwise provided in the Act and/or Clause 49 of the Listing Agreement, all Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company, which are repetitive in nature, subject to compliance of the conditions prescribed in Clause 49 of the Listing Agreement. Any member of the Committee who has a potential interest in any Related Party Transaction will not remain present at the meeting or abstain from discussion and voting on such Related Party Transaction.

The Audit Committee shall be provided with all relevant and material information on proposed Related Party Transaction, including names of the related party, nature of transaction, terms and duration thereof and justification of transaction etc. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- I. Whether the terms of the Related Party Transaction are in the ordinary course of business and on arm's length basis to the Company and would apply on the same basis as if the transaction did not involve a Related Party;
- II. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- III. Whether the Related Party Transaction would affect the independence of the Directors or KMP of the Company. Any modification/renewal of an existing Related Party Transaction shall also require prior approval of Audit Committee.

3.2.2. BOARD

If the Committee determines that a Related Party Transaction should be brought before the Board or if the Board in any case decides to review any such matter or it is mandatory under any law for the Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

3.2.3. SHAREHOLDERS

All Material Related Party Transactions, shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolution, irrespective of whether they are party to the particular transaction or not. All the Related Party Transactions other than Material Related Party Transactions which are not in the Ordinary Course of Business or at Arms' Length basis shall also require the prior approval of shareholders through special resolution if so required under any law and the Related Parties with whom the transaction is to be entered into shall abstain from voting on such resolution.

However, approval of the Audit Committee or Shareholders shall not be required for transactions entered into between the Company and its wholly owned subsidiary (ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

4. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THE POLICY

In the event the Company becomes aware of any Related Party Transaction that has not been approved under this Policy prior to its consummation, the matter shall be placed as promptly as practicable before the Audit Committee or the Board or the Shareholders as may be required in accordance with this Policy. The Audit Committee or the Board or the Shareholders shall consider all relevant facts and circumstances regarding such Related Party Transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such Related Party Transaction and the Company shall take such action as the Committee or the Board or the Shareholders deem appropriate under the circumstances.

5. DISCLOSURE OF RELATED PARTY TRANSACTIONS

Particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under Clause 49 and/or the Act (including Rules made thereunder), from time to time. The Company shall also host the Policy on its website and a web-link thereto shall be provided in the Annual Report.

6. SCOPE LIMITATION

In the event of any conflict between the provisions of this Policy and of the Listing Agreement / Act or any other statutory enactments, rules, the provisions of Listing Agreement / Act or statutory enactments, rules shall prevail over the Policy.

7. AMENDMENT

The Board may amend or modify or update the Policy in whole or in part, at any time subject to the amendments to the Act and/or Listing Agreement.