

## **POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS**

### **ERA INFRA ENGINEERING LIMITED**

#### **I. PURPOSE**

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

This policy is framed in accordance with Regulation 23 of Listing Obligations and Disclosure Requirements Regulations, 2015 with Stock Exchanges and Section 188 of the Companies Act, 2013 read with Rules made there under.

#### **II. APPROVALS AND REVIEW**

- A. All Related Party Transactions (including any modification/ renewal thereof) shall require prior approval of the Audit Committee (“Committee”) and the Board of Directors.
- B. The Audit Committee may grant omnibus approval to one or more proposed Related Party Transactions in accordance with Regulation 23 of Listing Obligations and Disclosure Requirements Regulations, 2015 excepting those transactions which fall under Section 188 of the Companies Act, 2013, subject to the following conditions:
- i. transaction is repetitive in nature;
  - ii. the Committee is satisfied of the need of the transaction.
  - iii. the omnibus approval shall specify:
    - a) the name of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
    - b) the indicative base price/ current contracted price and the formula for variation in the price if any and
    - c) such other conditions as the Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 01 crore per transaction.

- iv. Transaction is ratified by the Audit Committee/ Board in its next meeting
- C. All Related Party Transactions which are ‘Material’ as defined para III of this Policy, shall also require prior approval of the shareholders by way of special resolution and all Related Parties shall abstain from voting, irrespective of whether they are party to the particular transaction or not.

- D. All Related Party Transactions prescribed under Section 188 of the Companies Act, 2013 which are either not in the ordinary course of business or are not at arm's length, shall require prior approval of:
- i. Board; and
  - ii. Shareholders by way of Special Resolution if amount of such transactions exceeds the limits prescribed in Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014.

However, where the need to enter into transaction with a related party cannot be foreseen, such transaction may be entered and the approval of Audit Committee, Board/ Shareholders, as may be required, may be obtained within stipulated time frame under the Act.

The concerned Related Party shall abstain from voting on such resolution. Where such transaction is with a wholly owned subsidiary, the resolution passed by the Holding company shall be sufficient.

- E. All Related Party Transactions, post facto, shall be reviewed by the Committee on quarterly basis.

### **III. MATERIAL RELATED PARTY TRANSACTIONS**

Subject to the provisions of Regulation 23 of Listing Obligations and Disclosure Requirements Regulations, 2015, a transaction with a related party shall be considered material 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.

### **IV. TRANSACTIONS WITH WHOLLY OWNED SUBSIDIARIES**

Provisions of Para II (A to C) of this Policy shall not be applicable to any transaction with a wholly owned subsidiary.

However, Committee's post facto approval to such transaction (including any modification/ renewal thereof) will be mandatory.

### **V. DISCLOSURES**

Particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under Regulation 23 of Listing Obligations and Disclosure Requirements Regulations, 2015 and/ or the Companies Act, 2013 (including rules made thereunder), from time to time.

This Policy shall be disclosed on the Company's website [www.eragroup.co.in](http://www.eragroup.co.in) and a web link thereto shall be provided in the Annual Report of the Company.

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