



Twamev Construction and Infrastructure Limited

(Formerly known as Tantia Constructions Limited)

Registered Office

DD-30, 7th Floor, Sector-1
Salt Lake City, Kolkata - 700064

+91 33 49505600

info@twamevcons.com

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

(As revised and approved by the Board of Directors)

1) PREAMBLE

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**"), as amended from time to time, requires a listed entity to formulate a policy on materiality of related party transactions and on dealing with related party transactions approved by the board of directors (hereinafter referred to as "**Board**"). In view of this requirement and the applicable provisions of the Companies Act, 2013, (hereinafter referred to as "**Act**"), the Board of Twamev Construction and Infrastructure Limited (hereinafter referred to as "**Company**") has adopted this policy on materiality of related party transactions and on dealing with related party transactions (hereinafter referred to as "**Policy**").

2) SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Act read with the rules framed thereunder and the Listing Regulations, the Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Regulation 23(1) of the Listing Regulations requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, the Company has framed this Policy. This Policy has been adopted by the Board of the Company based on recommendations of the Audit Committee (*defined below*). Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

3) OBJECTIVE OF THE POLICY

The objective of this Policy is to set out

(a) the materiality thresholds for related party transactions; and

Corporate Office

Martin Burn Business Park, 17th Floor
Office No: 1704, Plot 3, Block BP
Sector V, Saltlake City, Kolkata – 700091
+91 33 49505600
info@twamevcons.com

Delhi Office

5th Floor, Unit No. 517 & 518
Le-Meridian Commercial Complex
Raisina Road, New Delhi - 110001
+91 11 40581302
delhi@twamevcons.com

(b) the manner of dealing with the transactions between the Company and its related parties based on the Act, regulation 23 of the Listing Regulations and any other laws and regulations as may be applicable to the Company.

4) DEFINITIONS

“Audit Committee or Committee” means an audit committee the Company constituted under provisions of Listing Regulations and the Act.

“Arm’s length ” means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Industry Standards” shall mean the industry standards on ‘minimum information to be provided for review to the audit committee and shareholders for approval of related party transaction’ as formulated by Industry Standards Forum comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the stock exchanges and in consultation with SEBI.

“Key Managerial Personnel” means key managerial personnel as defined under the Act and includes

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole time director;
- (ii) Company Secretary; and
- (iii) Chief financial officer.

“Related Party” means a related party as defined under Section 2(76) of the Act or under the applicable accounting standards provided that:

- a. any person or entity forming a part of the promoter or promoter group of the Company; or
- b. any person or any entity, holding equity shares: (i) of twenty per cent or more; or (ii) of ten per cent or more, with effect from April 1, 2023, 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;

shall be deemed to be a related party

“Related Party Transaction” means the transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188 and includes a transaction involving a transfer of services, resources or obligations between:

- a. the Company or any of its subsidiaries on the one hand and a Related Party of the Company or any of its subsidiaries on the other hand; or

- b. 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. 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 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. retail purchases from the Company or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

5) MATERIALITY THRESHOLDS

Regulation 23 of the Listing Regulation requires a company to provide materiality thresholds for transactions beyond which the shareholders’ approval will be required by way of a resolution. The Company has fixed its materiality threshold in line with regulation 23 of the Listing Regulation. Therefore, a transaction with a Related Party shall be considered material if, the transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or 10% (Ten Per Cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower,. Notwithstanding the foregoing, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if it exceeds 5% (five per cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

6) MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

- 1. Identification of Related Parties: The Company has formulated guidelines for identification of Related Party Transactions in accordance with section 188 read with section 177 of the Act and regulation 2(1)(zc) of the Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at Arm’s Length basis and for this purpose, the Company will seek external expert opinion, if necessary.

2. Once the Related Party Transactions are identified, the management shall categorize the transactions under the following categories as per the Industry Standards and place applicable disclosures before the Committee seeking approval:
 - (a) Material Related Party Transactions;
 - (b) Other Related Party Transactions, but with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest; or
 - (c) Residual Related Party Transactions.
3. Every director and Key Managerial Personnel shall at the first meeting of the Board in which he participates and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as Related Party with respect to the Company and shall also provide the list of relatives which are regarded as Related Party as per this Policy.
4. Directors and Key Managerial Personnel are required to provide information regarding their engagement with the other entities during the financial year which may be regarded as Related Party according to this Policy.
5. All subsidiaries of the Company, before entering into a Related Party Transaction which may require approval of the Audit Committee & members of the Company under this Policy, shall bring to the attention of the Company about such proposed Related Party Transaction(s), so that the requisite approvals shall be obtained by the Company.

7) PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS

(i) Approval of the Audit Committee

1. All related party transactions and subsequent material modifications thereof shall require prior approval of the Audit Committee, in accordance with the provisions of the Listing Regulations. The Audit Committee has defined '**material modifications of Related Party Transactions**' to mean, in relation to the Company, any modification to an existing Related Party Transaction having variance of the existing limit as sanctioned by the Audit Committee/Board/shareholders of the Company, as the case may be.
2. The Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:
 - a. The Audit Committee shall, after obtaining approval of the Board, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall include the following:
 - (i) The maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - (ii) maximum value per transaction which can be allowed;

- (iii) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - (iv) review of, at such intervals as the Audit Committee may deem fit, Related Party Transaction entered into by the Company pursuant to each omnibus approval made;
 - (v) transactions which cannot be subject to the omnibus approval by the Audit Committee.
 - b. Such omnibus approval shall specify (i) the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into; (ii) the indicative base price / current contracted price and the formula for variation in the price if any; (iii) minimum information about the Related Party Transactions as per the provisions of the Industry Standards; and (iv) such other conditions as the Audit Committee may deem fit. Provided that where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs 15,00,000 per quarter] (Rupees One Crore Fifty Lakhs).
 - c. The Audit Committee shall consider the following factors while specifying the criteria making omnibus approval, namely:
 - (i) repetitiveness of the transactions (in past or in future); and
 - (ii) justification for the need for omnibus approval.
 - d. The Audit Committee shall satisfy itself of the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company; and
 - e. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.
 - f. Such omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.
3. While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at Arm's Length or not:
- (i) Nature of the transaction i.e. details of goods or property to be acquired / transferred or services to be rendered / availed – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
 - (ii) Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum;

- (iii) Key covenants (non-commercial) as per the draft of the proposed agreement/ contract to be entered into for such transaction;
- (iv) Special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
- (v) Benchmarking information that may have a bearing on the Arm's Length basis analysis, such as: (a) market analysis, research report, industry trends, business strategies, financial forecasts, etc; (b) third party comparable, valuation reports, price publications including stock exchange and commodity market quotations; (c) management assessment of pricing terms and business justification for the proposed transaction; (d) comparative analysis, if any, of other such transaction entered into by the Company;
- (vi) Information from the management in order to determine if the transaction is in the ordinary course of business and at Arm's Length or not;
- (vii) Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- (viii) Tenure of the proposed transaction (particular tenure to be specified);
- (ix) Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage shall be calculated on the basis of the subsidiary's annual turnover on a standalone basis to be additionally provided);
- (x) Maximum amount of transactions that shall be entered into; the indicative base price / current contracted price and the formula for variation in the price, if any;
- (xi) minimum information to be placed before the Audit Committee as required under the Industry Standards;
- (xii) such other information/documents/confirmations as the Audit Committee may deem fit from time to time; and
- (xiii) If the transaction relates to any loans, inter corporate deposits, advances or investments made or given by the Company or its subsidiary:
 - a. details of the source of funds in connection with the proposed transaction;
 - b. where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments: information with respect to nature of indebtedness, cost of

funds and tenure during which such indebtedness shall be incurred;

- c. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - d. purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the Related Party Transaction.
4. The Audit Committee, at the time of approval of Related Party Transactions, shall take into consideration the certificate to be placed before it by the chief executive officer/ chief financial officer or any other Key Managerial Personnel of the Company and every director of the Company who is a promoter thereof, confirming that the Related Party Transactions proposed to be entered into are in the interest of the Company. This certificate shall be placed before the Committee in terms of the Industry Standards.
5. Omnibus approval can be granted by the Audit Committee for the Related party Transactions of the Company as well as of its subsidiaries.
6. Pursuant to the approval of the Board, the Audit Committee has specified the following criteria for granting omnibus approval:
- a. The maximum value of the transactions, in aggregate, save and except that transaction(s) exceeding the materiality threshold, as specified in paragraph 5 of the Policy, which require shareholder approval shall not be considered for this limit;
 - b. The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold as specified in paragraph 5 of the Policy. Should the value per transaction, through omnibus route, exceed the materiality threshold as prescribed in paragraph 5 of the Policy, the same shall be subject to approval of shareholders of the Company;
 - c. Transactions of the following nature shall not be subject to the omnibus approval of the Audit Committee:
 - (i) Transactions which are not at Arm's Length or not in the ordinary course of business
 - (ii) Transactions which are not repetitive in nature;
 - (iii) Transactions exceeding materiality thresholds as laid down in paragraph 5 of the Policy;
 - (iv) Transactions in respect of selling or disposing of the undertaking of the Company;
 - (v) Financial Transactions e.g. loan to Related Parties, inter corporate deposits, subscriptions to bond, debenture or

- preference shares issued by the Related Parties, corporate guarantee given/received from Related Parties; and
- (vi) Any other transaction as the Audit Committee may deem as not fit for omnibus approval.

(ii) Approval of the Board of the Company

1. As per the provisions of section 188 of the Act, all kinds of transactions specified under the said section and which are not in the ordinary course of business and at Arm's Length basis, shall be placed before the Board for its approval.
2. 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 are 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; and
 - ❖ Transactions meeting the materiality thresholds laid down in clause 5 of the Policy, which are intended to be placed before the shareholders for approval.

(iii) Approval of the Shareholders of the Company

1. All the transactions with Related Parties meeting the materiality thresholds, laid down in clause 5 of the Policy, are placed before the shareholders for approval. For this purpose, all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.
2. Regulation 23(4) read together with regulation 23(5) of the Listing Regulation provides that the requirement for seeking shareholders' approval shall not be applicable to:
 - a. transactions 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;

- 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 approval;
 - c. transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the central government or any state government or any combination thereof on the other hand;
 - d. transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved; and
 - e. Related Party Transactions, where the listed subsidiary of the Company is a party, but the Company is not a party, and if regulation 23 and regulation 15(2) of the Listing Regulations are applicable to such listed subsidiary. For Related Party Transactions of unlisted subsidiaries of listed subsidiaries referred hereinbefore, the prior approval of the shareholders of such listed subsidiary shall suffice.
3. In addition to the above, all kinds of transactions specified under section 188 of the Act which (a) are not in the ordinary course of business and 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 their approval.

8) DISCLOSURES

The Company shall disclose in the Board's report, transactions prescribed in section 188(1) of the Act with Related Parties, which are not in ordinary course of business or Arm's Length basis, along with the justification for entering into such transaction. . The Company shall provide disclosure of the Related Party Transactions to the stock exchanges where the Company's securities are listed in the format as specified by the SEBI/stock exchange from time to time, and within the statutory timelines. In addition to the above, the Company shall, simultaneously, place all information as specified in Industry Standards and also provide details of all Related Party Transactions in the format as specified, from time to time, by the SEBI and publish the same on its website. Provided that the Company shall make such disclosures every six months on the date of publication of its standalone and/or consolidated financial results, as the case may be. The Company shall also provide all information specified in Industry Standards read together with the Listing Regulations, Act as well as such additional information as specified by SEBI from time to time in the explanatory statement to the notice being sent to the shareholders seeking their approval for Related Party Transactions proposed to be entered into. The Company shall provide disclosure on 'loans and advances' in the nature of loans to firms/ companies in which directors are interested by name and amount' in its corporate governance report.

9) RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a Related Party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and failure of the internal control systems and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the Related Party/Company etc. In connection with any review/approval of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

10) REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Committee periodically and at least once in three years and appropriate recommendations shall be made by the Audit Committee to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.