MID INDIA INDUSTRIES LIMITED

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POLICY ON MATERIALITY OF AND ON DEALING WITH RELATED PARTY TRANSACTIONS

TITLE:

This Policy shall be called 'Policy on materiality of and dealing with Related Party Transactions'.

OBJECTIVE:

Mid India Industries Limited (hereinafter referred to as "the Company") is engaged in the Real Estate Sector. As a part of its business activity, the Company may deals with entities which are related parties. The Company recognizes that Related Party Transactions (as defined below) may have potential or actual conflict of interest and may raise questions whether such transactions are consistent with the Company's and its shareholders' best interests and in compliance to the provisions of the Companies Act, 2013 ("the Act") and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 **("SEBI LODR")**(including any statutory any amendments thereto or reenactment thereof).

The Board of Directors (the "Board") of the Company has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions ("Policy") in compliance with the requirements of Section 177 and 188 of the Companies Act, 2013 and Regulation 23 of the SEBI LODR.

DEFINITIONS:

"Arm's 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" or "Committee" means the audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the SEBI LODR and the Companies Act, 2013.

"Board" means the Board of Directors of Mid India Industries Limited

"Company"" means Mid India Industries Limited.

"Key Managerial Personnel" in relation to a Company means KMP as defined in the Act.

"Material Related Party Transaction" means a transaction with a Related Party entered individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crores or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Material Modifications means any change in the approved terms which has a financial implication of 25% or more of the contract/transaction value or Rs. 5 crore, whichever is lower.

"Policy" means this Policy, as amended from time to time.

"Related Party" means a related party as defined under the Companies Act, 2013 or rules made there under and under SEBI LODR as amended from time to time.

"Related Party Transactions" or "RPTs" shall mean such transactions as specified under Section 188 of the Act or rules made there under and under Regulation 2(1)(ZC) of SEBI LODR, as amended from time to time.

"Relative" means a relative as defined under the Companies Act, 2013 and under Regulation 2(1)(ZD) of SEBI LODR, as amended from to time.

"Transaction" with a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI LODR, SEBI Act, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation, unless the context otherwise require.

IDENTIFICATION OF RELATED PARTIES & TRANSACTIONS:

Every Director will be responsible for providing a declaration containing the following information to the Company Secretary and compliance officer of the Company on an annual basis and whenever there is a change in the information provided:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she or his / her Relative is a member or a Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).

Every Key Managerial Personnel of the Company will be responsible for providing a declaration containing the following information to the Company Secretary and Compliance officer of the Company on an annual basis and whenever there is a change in the information provided:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a Partner;

Every Director or Key Managerial Personnel of the company will be responsible for providing a declaration containing the information to the Company Secretary and Compliance officer of the Company on an annual basis and whenever there is a change in the information pertaining to Names of his / her Relatives;

Every Director, Key Managerial Personnel, officers authorized to enter into contracts/ arrangements will be responsible for providing prior Notice to the Chief Financial Officer with a copy to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.

Besides the above, the Company will also identify other Related Parties as required under the Companies Act, 2013 and under SEBI LODR, as amended from time to time.

Any transaction by the Company with a Related Party will be regulated as per this Policy.

APPROVAL OF RELATED PARTY TRANSACTIONS:

All Related Party Transactions and subsequent material modifications shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or any other manner as provided by the Act or Rules made there under.

Where the Company enters into a contract / transactions with a related party, which stipulates details of every transaction like nature of the transaction, period of transaction, contract price or methodology of price determination / variation, if any, maximum amount of transaction, credit terms etc., prior approval once given by the Audit Committee would suffice and Audit Committee would only note the transactions that are entered into pursuant to such agreement and such transactions will not require any additional approval of the Audit Committee.

The Audit Committee may grant omnibus approval for the proposed Related Party Transaction to be entered into by the company or its subsidiary subject to the following conditions:

1. The Audit Committee shall lay down the criteria for granting omnibus approval in line with the policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

2. The Audit Committee shall satisfy for following criteria while making omnibus approval:

    a. Need for such omnibus approval and that such approval is in the interest of the Company;
    b. Repetitiveness of the transactions (in past or in future)
    c. Justification for the need of omnibus approval

3. Such omnibus approval shall provide disclosure SEBI circular (SEBI/HO /CFD/CMD1/CIR/P/2021/662) dated 22nd November, 2021 and as per Rule 6A of the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2015 and Regulation 23 of SEBI LODR and amendment thereto, from time to time.

Notwithstanding above, omnibus approval shall not be made for selling or disposal of the substantial undertaking between related parties.

In cases where the need for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. One Crore per transaction or such amount as may be prescribed from time to time.

All Omnibus approvals granted pursuant to Companies Act, 2013 and SEBI LODR shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year. However, the Committee shall review, 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.

A member of the Committee who has a potential interest in any Related Party Transaction will not remain present at the meeting when such Related Party Transaction is considered.

The Board would approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and/or SEBI LODR and/or transactions referred to it by the Audit Committee.

Where any director is interested in any Related Party Transaction, such director will not remain present at the meeting when such Related Party Transaction is considered.

To review a Related Party Transaction, the Board/ Audit Committee will be provided with all the relevant information pertaining to the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and any other matter, as may be required. In determining whether approval needs to be accorded to a Related Party Transaction, the Board/ Audit Committee will consider the following factors:

- Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis as if the transaction did not involve a Related Party;

- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

- Whether the Related Party Transaction would impair the independence of an otherwise Independent Director;

- Whether the Related Party Transaction would present a conflict of interest for any Director, or KMP of the Company, taking into account the size of the transaction, the overall interest of the Director, KMP or other Related Party, the direct or indirect nature of the Director's, KMP's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Audit Committee deem fit to consider.

Further, in terms of the provisions of the SEBI LODR all Material Related Party Transactions and subsequent material modifications, as may be prescribed from time to time, shall require requisite approval of shareholders of the Company (unless it is exempted pursuant to the provisions of SEBI LODR) and no Related Parties shall vote to approve on such resolution(s) whether the entity is a related party to the particular transaction or not.

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

(i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;

(ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation

(iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;

(iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;

(v)The Audit Committee shall determine whether the transaction does, in fact, constitute a related party transaction requiring compliance with this Policy.

(vi) Company shall not give any loan/advance/guarantee directly or indirectly to any director, director of holding company, or any partner or relative of any such director and anybody corporate in which he or his relatives are interested subject to conditions laid down by the Companies Act 2013 and rules framed there under. Company shall not directly or indirectly give loan or give any guarantee or security in connection with loan to any person or body corporate exceeding prescribed limits. However, such restrictions would not apply to transactions with wholly owned subsidiaries.

(vii) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorized by any other director, the director(s) concerned shall indemnify the company against any loss incurred by it.

Notwithstanding anything mentioned herein, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Transactions involves remuneration and sitting fees paid by the company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of regulation 23(1).

All Related Party Transactions pursuant to Section 188 of the Companies Act, 2013 which are not in the ordinary course of business and / or not an Arms' length basis and which crosses the threshold limits prescribed under Companies Act, 2013 from time to time, shall also require the requisite approval of shareholders of the Company (unless it is exempted pursuant to the provisions of the Act) and no member of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

"Ordinary course of business" would include usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and all such activities which the Company can undertake as per the Memorandum & Articles of Association of the Company.

In case, the shareholders do not approve a Related Party Transaction, the Board / Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable to shareholders for approval.

ADMINISTRATIVE MEASURES

The Company's management shall institute appropriate administrative measures to ensure that all RPTs entered into by the Company are in compliance with applicable laws and this Policy. All persons dealing with the related party(ies) shall, irrespective of their level, be responsible for compliance with this Policy. The detailed processes relating to implementation of this Policy, as may be approved by the Audit Committee from time to time, shall be followed by all concerned. The Internal Auditors of the Company shall review the RPTs entered into by the Company on a periodic basis and

report their observations to the Audit Committee. The Company Secretary shall be responsible to maintain/update the list of related parties (as required by applicable laws) and provide the same to all concerned. It is the duty of all employees of the Company to ensure that they do not deal with related parties under any kind of influence or coercion. The cases involving any unwarranted pressure should be promptly reported as per mechanism provided under the Whistle Blower Policy of the Company.

DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS

Every Related Party Transaction / contracts or arrangements that are:- (i) material or (ii) not at arm's length basis and/ or ordinary course of business, shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction as per the requirement of the Companies Act, 2013.

The various business heads, department heads or any person authorized to enter into any transaction on behalf of the Company shall in case of a related party transactions, first consult the CFO and obtain his confirmation that the transaction is both in the ordinary course of business and at Arm's length basis and requisite approvals are in place.

This Policy shall be placed on the website of the Company at www.midindiaindustries.com and a web link thereto shall be provided in the Annual Report.

The Company shall make disclosures as may be required pursuant to the applicable law relating to related party transactions.

AMENDMENTS & LIMITATION

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendation(s) of Audit Committee, from time to time.

This Policy, including definition and other provisions of the Policy shall stand amended because of any regulatory amendments, clarifications etc. in the applicable laws, rules and regulations. In case of any amendment(s), clarification(s), circular(s), notification(s), etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions of this Policy.

The words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or any other applicable law or regulation, as amended from time to time.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy.

DISSEMINATION OF POLICY

This Policy shall be disseminated to all functional and operational heads and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.

REVIEW OF THE POLICY

This Policy was amended on 10th February, 2025 and shall be reviewed by the Board of Directors of the Company once every three years, or earlier if deemed necessary, and updated accordingly.

For Mid India Industries Limited

Shailendra Kumar Agrawal
Company Secretary and Compliance officer

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