MANGLAM INFRA & ENGINEERING LIMITED

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

Version Control

Version	*Approval/Amendment Date*	*Approved by*
1	*December 01, 2023*	*Board of Directors*
2	*August 10, 2026*	*Board of Directors*

I. PREAMBLE

The Board of Directors of **Manglam Infra & Engineering Limited** ("the Company") had adopted this policy on materiality of related party transactions and dealing with related party transactions, in accordance with the applicable provisions of the Companies Act, 2013, the Rules made thereunder, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the SEBI Listing Regulations]; applicable Indian Accounting Standards and such other act, rules, regulations, etc. as amended or re-enacted from time to time.

II. EFFECTIVE DATE

This Policy shall be effective from the date of its approval by the Board and shall remain in force unless modified or amended by the Board in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

III. PURPOSE

The changes introduced in the corporate governance norms under Section 188 of the Companies Act, 2013 ("Companies Act"), as amended and the rules framed thereunder and Regulation 23 of the SEBI Listing Regulations require companies to have enhanced transparency and due process for approval of the related party transactions.

Accordingly, the Company has framed this Policy with the intent to ensure the proper approval and reporting of related party transactions. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties

IV. DEFINITIONS

a) "**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.

b) "**Audit Committee**" means Audit Committee constituted by the Board, from time to time, under Section 177 of the Companies Act and the SEBI Listing Regulations.

c) "**Board of Directors**" or "Board" means the board of directors of the Company, as constituted from time to time.

d) "**Key Managerial Personnel**" means the Managing Director, the Company Secretary, the Chief Financial Officer and such other officers/employees of the Company as defined in section 2(51) of the Companies Act.

e) **"Industry Standards"** shall mean the Industry Standards on "Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)" notified by SEBI, as amended, clarified or modified from time to time.

f) **"Material Modifications"** means any change in the terms of an existing Related Party Transaction resulting in a change of 20% or more in the value of the transaction as approved by the Audit Committee, the Board of Directors and/or the Shareholders, as applicable, during a financial year.

g) **"Minimum Information"** shall mean the minimum information to be provided for review of the Audit Committee and Shareholders for approval of Related Party Transaction in accordance with the Industry Standards notified by SEBI, as amended, clarified or modified from time to time.

h) “**Material Related Party Transaction**” shall have the meaning assigned to it under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

i) “**Ordinary Course of Business**” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum & Articles of Association. It also includes all such activities which the Company shall undertake in furtherance of the objects as stated in Memorandum of Association of the Company.

j) “**Related Party(ies)**” means a related party as defined under Section 2 (76) of the Companies Act, 2013, Regulation 2(zb) of SEBI Listing Regulations and applicable Accounting Standards, as amended from time to time.

k) ‘‘**Relative**’’ means a relative as defined under Section 2(77) of the Companies Act read with SEBI Listing Regulations, as amended from time to time.

l) “**Related Party Transaction**” means the transaction as prescribed under Regulation 2(1)(zc) of SEBI Listing Regulations, Section 188 of the Companies Act, the applicable Accounting Standards or other applicable statutes as amended or re-enacted from time to time

m) “**Subsidiary**” shall mean a subsidiary as defined under Section 2(87) of the Companies Act.

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

Any term not defined in this Policy shall have the meaning assigned to it under the Companies Act, 2013, the SEBI Listing Regulations, applicable Accounting Standards or any other applicable law, as amended from time to time.

V. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

a) Every Director and Key Managerial Personnel shall, as may be applicable to them, provide a declaration containing the necessary details of related parties covered in the definition of Related Party and Relatives to the Company upon their appointment and on an annual basis thereafter. Also, every Director and Key Managerial Personnel shall provide declarations in a timely manner if there has been a change in the details from the last declaration made to the Company.

b) Company will identify Related Parties on the basis of definition or criteria as provided under the Companies Act, SEBI Listing Regulations or applicable accounting standards.

c) The Company prefers to receive such notice of any potential Related Party Transaction well in advance so that Audit Committee has adequate time to obtain and review information about the Proposed transaction.

VI. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

1. Audit Committee

All Related Party Transactions (including all prospective transactions) and subsequent Material Modifications shall require prior approval of the Audit Committee. Only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

The Company shall provide to the Committee all relevant material information of all Related Party Transaction(s) in compliance with Companies Act and SEBI Listing Regulations.

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 fair and on arm's length basis to the Company and would apply on the same basis if the Transaction did not involve a Related Party;

ii. Whether the Related Party Transaction would affect the independence of the Director/KMP;

iii. Whether the proposed Transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and

iv. Whether the Related Party Transaction is in the nature of conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the Transaction, the overall financial position of the Director or other Related Party, the direct or indirect nature of the Directors, Key Managerial Personnel's or other Related Party's interest in the Transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

v. Whether there are any compelling business reasons / rationale for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any. Subject to the provisions of the applicable laws, the Audit Committee will have the discretion to approve/modify/reject/recommend/refer the proposed Related Party Transaction for the approval of the shareholders, if required.

2. Transactions involving Subsidiaries

A Related Party Transaction to which the Subsidiary is a party but the Company is not a party, shall require prior approval of the Audit Committee 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;

3. Omnibus approval

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

i. The Audit Committee shall lay down the criteria for granting an omnibus approval in line with this Policy and such approval shall be applicable in respect of Related Party 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 omnibus approval shall specify (i) the name of the Related Party, nature of Transaction, period of Transaction, maximum amount of Transaction that shall be entered into, (ii) the indicative base price/current contracted price and the formula for variation in the price if any, and (iii) such other conditions as the Audit Committee may deem fit;

iv. Where the need for the RPT cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

v. 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 approval given;

vi. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

vii. The Audit Committee shall satisfy itself that the omnibus approval is in compliance with Regulation 23 of the SEBI Listing Regulations, as amended from time to time

4. Board of Directors

Subject to Clause VI of this Policy, the following RPTs shall require additional, prior approval of Board of Directors:

i. All transactions between the Company and its Related Parties which are not in the Ordinary Course of Business, or not proposed to be executed as an Arm's length transaction.

ii. Transactions which in the opinion of the Audit Committee need special consideration / determination by the Board.

Where any director is concerned or interested in any potential RPT, such director shall abstain from discussion and voting when such transaction is being considered

5. Shareholders

i. Transactions not in ordinary course of business or not at arm's length

All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, and the SEBI Listing Regulations, as may be applicable, which are not in the ordinary course of business or not an Arms' length transaction shall also require the prior approval of the shareholders through resolution and no member of the Company shall vote on such resolution, if such member is a related party.

ii. Material Related Party Transaction and subsequent Material Modifications

i. All Material Related Party Transactions and any subsequent Material Modification thereto, shall require prior approval of the shareholders through resolution.

ii. No Related Party will be allowed to vote to approve such resolutions whether the entity is a Related Party to the particular transaction or not.

iii. The Audit Committee and the Board shall approve and recommend all Material Related Party transactions, before submitting the same for approval of the shareholders of the Company.

6. Exemption from applicability of the Policy

Notwithstanding the foregoing, but subject to the provisions of the applicable laws from time to time, this Policy shall not apply to the following Related Party transactions and such transactions shall not require approval of Audit Committee or shareholders:

i. transactions entered into between the Company and its wholly owned Subsidiary whose accounts are consolidated with the holding Company and placed before the shareholders at the general meeting for approval; and

ii. transactions entered into between two wholly-owned Subsidiaries of the Company, whose accounts are consolidated with the holding Company and placed before the shareholders at the general meeting for approval.

7. Disclosure

i. The Company shall submit to the stock exchanges disclosures of Related Party Transactions in the format as specified by the Securities and Exchange Board of India from time to time, and publish the same on its website as required from time to time in compliance with the SEBI Listing Regulations;

ii. The Company shall make such disclosures as required from time to time in compliance with the SEBI Listing Regulations.

iii. The Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company

8. Review and Amendment

The Board of Directors based on the recommendation of the Audit Committee of the Company shall review this Policy atleast once in three years or such other earlier periodicity as it may deem fit and may amend this Policy accordingly, from time to time.

Any subsequent amendment(s) or modification(s) in the Act, SEBI Listing Regulations, applicable Accounting Standards or any other governing law, which makes any of the provision of this Policy inconsistent with such Act, SEBI Listing Regulations, Accounting Standards or other governing law, then the provisions of such Act, SEBI Listing Regulations, Accounting Standards or any other governing law shall prevail and shall mutatis mutandis be deemed to have been incorporated in this Policy.

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