

MANGLAM INDIA LTD.

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Phone: 033-40022880, Fax: 91-33-2237 9053

CIN: L51420WB1993PLC060955

RELATED PARTY TRANSACTION POLICY

[Pursuant to the Companies Act, 2013 and Clause 49 (revised on 15.09.2014) of the Listing Agreement]

1. Preamble

The Board of Directors (the Board) of Manglam India Ltd. (the Company), has adopted the following policy and procedures with regard to Related Party Transactions. The policy envisages the procedure governing Related Party Transactions required to be followed by company to ensure compliance with the Law and Regulation. The Audit Committee with review and may amend this policy from time to time and propose the amendment required in the policy to the Board of directors.

This policy will be applicable to the Company. This policy is to regulate transaction between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Purpose

This policy is framed to regulate transactions between the Company and its related parties as determined based on the Companies Act, 2013 and Clause 49 (revised on 15.09.2014) of the Listing Agreement entered by the Company with Stock Exchanges and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

3. Definitions

- i. "Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of Listing Agreement and Companies Act, 2013.
- ii. "Board" means Board of Directors of the Company.
- iii. "Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- iv. "Key Managerial Personnel" means key managerial personnel as defined under Section 2(51) the Companies Act, 2013.
- v. "Material Related Party Transactions" means transaction as defined
- vi. "Policy" means Related Party Transaction Policy.

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- vii. “Related Party” means related party as defined in Clause 49 of the Listing Agreement which is as follows:

An entity shall be considered as related to the company if:

- (i) Such entity is a related party under Section 2(76) of the Companies Act, 2013 or,
- (ii) Such entity is a related party under the applicable accounting standards.”

- viii. “Related Party Transactions” means any transactions directly or indirectly involving any Related Party, regardless of whether a price is charged.

Explanation: A “transaction” with a related party shall be construed to include single transaction or a group of transactions in a contract.

- ix. “Relative” means relative as defined under Section 2(77) Companies Act, 2013
- x. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, Listing Agreement, Securities Contract Regulation Act or any other applicable law or regulation.

4. Related Party Transactions under the policy

- 4.1 Any transfer of resources, services or obligations between the company and a related party, would get covered as a ‘Related Party Transaction’ whether or not, there is an element of consideration or price.

4.2 Prohibited related Party Transactions

Any transaction with a Related Party can be undertaken only if it is in compliance with the law.

4.3 Approval Process

The Company will enter into any Related Party Transactions only with the prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for the proposed Related Party Transaction subject to the following conditions:

- a. The Audit Committee satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

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- b. The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given;
- c. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after expiry of one year.

The Audit Committee will have the discretion to recommend/refer any matter relating to the Related Party Transaction to the Board for the approval.

In the case of Material Related Party Transaction, the approval of the shareholders by way of special resolution is also required and the Related Party shall abstain from voting on such resolutions.

In the event transactions, contract or arrangement with the Related Party is either not in the ordinary course of business or is not at arm's length or both, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed there under and obtain approval of the Board and its shareholders, as applicable.

The following types of transactions require approval from shareholders:

- Transactions not in the ordinary course of business
- Transactions in the ordinary course of business if not done at an arm's length
- Material Transactions as defined under clause 49 (VII)(C) of the listing Agreement

5. Disclosure by Directors/KMPs

A. Disclosure of interests

- All directors/KMPs are required to disclose the entities in which they or their relatives are or deemed to be interested, in the prescribed form.
- Each Director and KMP of the Company shall promptly notify the Company Secretary of any material transaction or Relationship that could reasonably be expected to give rise to any conflict of interest.
- The Company shall disclose the policy on dealing with Related Party Transactions on its website and a weblink thereto shall be provided in the Annual report.
- Details of all material transactions with related parties shall be disclosed, quarterly in the Compliance Report on Corporate Governance, as required under Listing Agreement.

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6. Guiding Principles for approval of a Related Party Transaction by the Board/Audit Committee thereof

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction. 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 Transactions:

- Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Company was notified about the related Party Transaction before its commitment and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- Whether the Related Party Transactions would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into the size of transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, 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.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such manner or if

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is mandatory under any law for Board to approve the Related Party Transactions, then 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.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

7. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of 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 Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related Party Transaction to the Committee under this policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee as appropriate may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

This policy will be communicated to all operational employees and other concerned persons of the Company.