

**RELATED PARTY TRANSACTION POLICY
OF LUCENT INDUSTRIES LIMITED**

The revised policy is adopted by the Board of Directors in their meeting held on 19.03.2025

I. PREAMBLE

Lucent Industries Limited ('the Company') in consonance to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (hereinafter referred to as 'SEBI Listing Regulations') and Section 188 of the Companies Act, 2013 (hereinafter referred to as 'Act') read with rules made thereunder recognizes the potential conflict of interest between the Company and its stakeholders in case the Company enters into contracts/arrangements with its related party and considering such transactions are at the best interest of both the parties in the given situation.

Pursuant thereto, Regulation 23 of the SEBI Listing Regulations require the Company to formulate a policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the Board. Thus, this policy is designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

Accordingly, the Board of Directors ("**Board**") of the Company has adopted the following policy regarding materiality of related party transactions and dealing with related party transactions. The Audit Committee of the Company will review this policy at least once every three years and propose any modifications to the Board for approval.

II. DEFINITIONS

- (i) "**Act**" means Companies Act, 2013, Rules framed thereunder and any amendments thereto.
- (ii) "**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.
- (iii) "**Associate Company**" in relation to another company, means a company in which that other company has a significant influence, but which is not a Subsidiary Company of the company having such influence and includes a Joint Venture Company as per sub-section (6) of Section 2 of the Act.

Explanation: For the purpose of this, "Significant Influence" means control of at least 20% (twenty percent) of total voting power, or control of or participation in business decisions under an agreement.

- (iv) "**Audit Committee**" means the audit committee of the board of directors of the Company under Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.
- (v) "**Board**" means the collective body of the directors of the Company.

- (vi) **“Company”** means Lucent Industries Limited.
- (vii) **“Key Managerial Personnel” or “KMPs”** means Key Managerial Personnel as defined under sub-section (51) of Section 2 of the Act and includes:
- (i) Managing Director, or Chief Executive Officer or Manager;
 - (ii) the Whole Time Director;
 - (iii) Company Secretary;
 - (iv) Chief Financial Officer;
 - (v) such other officer, not more than one level below the directors who is in whole- time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed.
- (viii) **“Material modification”** means and includes any modification to an existing related party transaction having a variance of 20% of the existing limit as sanctioned by the Audit Committee/ Board of Directors / Shareholders of the Company.
- (ix) **“Ordinary Course of Business”** with reference to a transaction with a related party means a transaction which is:
- i. carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
 - ii. whether the activity is in furtherance of business
 - iii. whether the activity is repetitive and frequent
 - iv. historical practice with a pattern of frequency;
 - v. common commercial practice; or
 - vi. meets any other parameters / criteria as decided by the Board/Audit Committee, from time to time.
- (x) **“Policy”** means this policy, as amended from time to time.
- (xi) **“Related Party”** in relation to the Company means a party related with the Company in any of the ways as laid down in Section 2(76) of the Companies Act or under applicable accounting standards and Regulation 2(zb) of the SEBI Listing Regulations including modifications or amendments made thereto.
- (xii) **“Related Party Transaction”** means a transaction involving a transfer of resources, services or obligations between:
- a. the Company or any of its subsidiaries on 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;

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.

(xiii) **“Relative”** means any person as per Section 2(77) of the Act and rules prescribed there under and as per Regulation 2(1)(zd) of the SEBI Listing Regulations as amended from time to time.

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act and rules and regulations made thereunder. The reference to the masculine gender in the Policy shall be deemed to include a reference to feminine gender.

In case of any dispute or difference upon the meaning / interpretation of any word or provision in this policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee shall be final. In interpreting such term/provision, the Audit Committee may seek the help of any of the officers of the Company or an external expert as it deems fit.

III. POLICY OF THE COMPANY

- i. The term of related party transactions and materiality of the same shall be deemed to be as defined above and so far applicable to the Company and its alike transactions as on date and any amendment thereto from time to time of the respective laws.
- ii. All the transaction with the related parties and subsequent modifications would require prior approval of the Audit Committee provided that only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions

including transactions entered into under omnibus approval of the Audit Committee due to repetitive transactions of the same nature and with the same related party as may permitted.

IV. **MATERIALITY THRESHOLD**

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a Company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required. None of the related parties of a Company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not (Related Parties can cast only negative vote to reject the shareholders' resolution on material RPT).

- i. The threshold limit for material related party transactions (all transactions taken together in a financial year) shall be, any transaction exceeding rupees **one thousand crores or 10% of the annual consolidated turnover of the Company**, whichever is lower, as per the last audited financial statement of the Company as prescribed under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. Royalty / brand usage payment to a related party (all transactions taken together in a financial year) shall deemed to be material if the transactions exceed 5% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company or such higher limit as prescribed under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

V. **DISCLOSURE BY DIRECTORS**

Every director shall at the beginning of the financial year 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.

Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party according to this Policy.

VI. **PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS**

A. **Approval of the Audit Committee**

All related party transactions and subsequent material modifications require prior approval of the Audit Committee and only those members of the Audit Committee, who are independent directors, shall approve related party transactions. However, the Company or its subsidiary 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 of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following viz.:
 - i. Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - ii. The 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, 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. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, viz:-
 - i. repetitiveness of the transactions (in past or in future);
 - ii. justification for the need of omnibus approval.
- c. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;
- d. The omnibus approval shall provide details of (i) the name/s of the related party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into, (ii) basis of arriving at 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. Provided that where the need for related party transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR One crore per transaction.
- e. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the Company or its Subsidiary pursuant to the omnibus approval given;

- f. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.
- g. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
- h. Any other conditions as the Audit Committee may deem fit.
- i. 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 the promoter or promoter group, shall not require approval of the audit committee provided that the same is not material as defined in this Policy.

B. Post-Facto Ratification of Related Party Transactions

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 as defined in this Policy or in terms of Regulation 23 of SEBI Listing Regulations including modifications or amendments thereto;
- (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 the format as specified by the SEBI from time to time and the Company's website;
- (v) 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 authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

C. In compliance to the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:

The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold as defined in Clause 3 of the Policy.

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 transfer of resources) – 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 terms contemplated under the arrangement) of the proposed transaction, including value and quantum;

iii. Any other details as may deem fit by the Audit Committee.

Transaction of following nature will 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 Clause IV 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.
- vi. Any other transaction the Audit Committee may deem not fit for omnibus approval.

D. Approval of the Board of Directors of the Company

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 or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- i. 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;
- ii. 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;
- iii. Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval.
 - iv. Transactions meeting the materiality thresholds laid down in Clause IV of the Policy, which are intended to be placed before the shareholders for approval.

Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

E. Approval of the Shareholders of the Company

All the transactions with related parties exceeding the materiality thresholds are placed before the shareholders for approval. For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a related party to the particular transaction or not. (Related Parties can cast only negative vote to reject the shareholder's resolution on material RPT).

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

However, the requirement of shareholders' approval for Related Party Transactions shall not be applicable for the following cases:

- i. 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.
- ii. transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- iii. 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.
- iv. 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.
- v. transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of regulation 15 of SEBI Listing

regulations are applicable to such listed subsidiaries.

For related party transactions of unlisted subsidiaries of a listed subsidiary, the prior approval of the shareholders of the listed subsidiary shall suffice.

VII. ADDITIONAL APPROVAL FUNCTIONALITY OF THE AUDIT COMMITTEE

(a) a related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company.

(b) a related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

(c) prior approval of the audit Committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-Regulation (2) of Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in above, the prior approval of the audit Committee of the listed subsidiary shall suffice.

(d) All the related party contracts / arrangements shall be entered into at an arms' length basis. In case the market price of any transactions/arrangements are not available or cannot be ascertained and could not be executed with outsiders due to secrecy of the nature of products or formula, such transactions shall be done as far as possible to the nearest market price and after citing justification to the Audit Committee for such transaction and necessity. All contracts/arrangements shall adhere to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of the Companies Act, 2013 and rules made thereunder and the Accounting Standards.

(e) If any contract or arrangement is entered by a Director or any employee without the consent of the Board or without Special Resolution in General Meeting due to some urgency, it shall be ratified by the Board or General Meeting by means of Special Resolution within 3 months, as the case may be. If it is not ratified by the Board or, as the case may be,

by the shareholders at a meeting within 3 months, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the Directors concerned shall indemnify the company against any loss incurred by it.

(f) In case of the contracts / arrangements with related party is not in the ordinary course of business or at Arm's Length, the Company would comply with the respective provisions of the Companies Act, 2013 and rules made thereunder.

(g) All the material related party transactions above the threshold limits as mentioned above and material modifications thereto other than exempted wholly owned subsidiary shall require prior approval of shareholders through resolution and no related party shall vote to approve such resolution whether the entity is related party to the particular transaction or not but they can cast negative vote on the resolution.

VIII. AMENDMENTS

Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. The Policy shall be reviewed by the Board at least once every three years and updated accordingly. Any subsequent amendment / modification in the Act or the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

IX. DISCLOSURE OF THIS POLICY

This Policy shall be uploaded on the website of the Company.

This policy is meant to provide a framework to regulate transactions between the Company and its related parties based on applicable laws and regulations. The Audit Committee and the Board of Directors will review this policy periodically and may amend or modify the Policy accordingly, from time to time.
