



## A. Introduction and Objective

1. This policy on Related Party Transaction has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time, in order to provide a framework for regulating transactions with Related Parties. The policy is intended to ensure that the dealings in RPTs meet proper reporting and approval norms as required by the statute, i.e., (Companies Act, 2013 and rules made thereunder and SEBI (LODR) Regulations, 2015 and amendments thereto).
2. The Board of Directors (the “**Board**”) of Lumino Industries Limited (the “**Company**”), acting upon the recommendation of its Audit Committee has adopted the following policy and procedures for dealing with Related Party Transactions (‘RPTs’).
3. This policy intends to list the approach adopted by the Company for transactions with its Related Parties. It is the objective of the Company that such transactions be based on principles of transparency and arm’s length pricing.

## B. Effective Date

This Policy is effective from December 19, 2024.

## C. Definitions

1. “Arms’ Length Transactions” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
2. “Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under the provisions of section 177(4) of Companies Act, 2013 (‘the Act’) and Regulation 18 of SEBI (LODR) Regulations, 2015.
3. “Board” means Board of Directors of Lumino Industries Limited
4. “Company” means Lumino Industries Limited
5. “Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
6. “Key Managerial Personnel” includes:

- i. Chief Executive Officer or the Managing Director or the Manager;
- ii. Whole-time Director(s);
- iii. Chief Financial Officer;
- iv. Company Secretary; and
- v. Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board.
- vi. such other officer as may be prescribed.

The terms Director, Whole-time Director, Managing Director, Chief Financial Officer, Company Secretary, Key Managerial Personnel ("KMP") shall have the same meaning as assigned to it under section 2(51) of the Companies Act, 2013

7. "Material Related Party transaction" shall mean a transaction with a Related Party, which, if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees One Thousand Crore or ten percent of the annual consolidated turnover as per the last audited financial statements of the Company, and as defined under SEBI (LODR) Regulations, 2015, and applicable to the Company.

Further transactions involving payments made with respect to brand usage or royalty shall also be considered material, if it exceeds five percent of the annual consolidated turnover as per the last audited financial statements of the company.

8. "Ordinary Course of Business" shall mean 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 Memorandum & Articles of Association.
9. "Policy" means the policy for dealing with Related Party Transactions.
10. Promoter and Promoter Group shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
11. "Relative" means relative as defined under section 2(77) of the Companies Act, 2013 and includes anyone who is related to another, if –
  - i. They are members of a Hindu undivided family;
  - ii. They are husband and wife; or
  - iii. Father (including step-father)
  - iv. Mother (including step-mother)
  - v. Son (including step-son)
  - vi. Son's wife

- vii. Daughter
- viii. Daughter's husband
- ix. Brother (including step-brother)
- x. Sister (including step-sister)

12. "Related party", "Related Party" shall mean a person or entity that is related to the Company as defined under Section 2(76) of the Companies Act, 2013, or under applicable accounting standards as may be amended from time to time.

The definitions of the term "Related Party" as per the above is given in **Annexure A**

13. "Related Party Transaction" ("RPT") shall mean any transaction entered into directly or indirectly with a Related Party, involving a transfer of resources, services or obligations, and any other transaction as defined under SEBI (LODR) Regulations, 2015, and as may be applicable from time to time.

Explanation: A "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract."

14. "SEBI" means the Securities and Exchange Board of India

15. "Material Modification(s)" means any subsequent change to an existing RPT, having variance of 20% of the originally approved transaction.  
Material Modification(s) shall mean modification to the related party transaction which substantially changes the nature / tenure of transaction as considered by Audit Committee while approving the transaction at the first instance.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations, as may be amended from time to time, shall have the meaning respectively assigned to them therein

#### **D. Policy Governing Related Party Transactions:**

- (1) This Policy would be subject to revision/amendment in accordance with the applicable laws and will be reviewed by the Board of Directors of the Company at least once in three years.
- (2) Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable Indian Accounting Standards and other applicable provisions for the time being in force.

- (3) All RPTs and subsequent Material Modifications must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy;

Provided that only those members of the Audit Committee, who are independent directors, shall approve RPTs.

#### **E. Identification of Related Parties and Related Party Transactions:**

- (1) The Company may seek required disclosures or information from Directors and/or Key Managerial Personnel or other entities to identify a related party, in such form or manner as per the Act/ applicable laws, as amended from time to time.
- (2) Each director and KMP is responsible for providing a notice to the Company Secretary of any potential RPTs involving him/her or his or her relative, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee and the Board. Such notice should be provided by the director or KMP at the earliest possible occasion that he/ she becomes reasonably aware of any potential RPTs involving him/her or his or her relative.
- (3) The Company strongly prefers to receive such notice of any potential RPTs reasonably in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.
- (4) The Company Secretary will obtain annual declarations from Directors and KMPs for identification of Related Parties.

#### **F. Review and Approval of Related Party Transactions**

##### **1. Approval by the Audit Committee:**

- i. The Company shall not enter into any Transactions with any Related Party and/or make material modifications to such transactions without prior approval of the Audit Committee of the Company. Only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.
- ii. However, the Audit Committee may grant omnibus approval for Related Party Transactions, which are repetitive in nature, proposed to be entered into by the Company, which shall be valid for a financial year and fresh approval shall be obtained from the Audit Committee every financial year.

Further, where the need for Related Party Transaction cannot be foreseen and required details are not available, the Audit Committee may grant

omnibus approval for such transactions, subject to their value not exceeding Rs. 1.00 crore per transaction.

- iii. The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.
- iv. In addition to the above, prior approval of Audit Committee of the Company shall be required for a related party transaction where the subsidiary(ies) of a Company is a party but the Company is not a party and the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual standalone turnover, as per the last audited financial statements of such Subsidiary).

**2. Approval of the Board:**

- i. The following Related Party Transactions shall, after the approval of the Audit Committee, also be placed before the Board of Directors for approval:
  - a. Transactions not at arm's length.
  - b. Transactions not in ordinary course of business.
  - c. RPTs referred by Audit Committee for approval of the Board to be considered
  - d. Material Related Party transactions as specified in Clause 3.
  - e. RPTs as required by the statute.
- ii. The Board of Directors shall consider the information/documents related to Related Party Transactions as referred in clause F.2.1, as placed before it and either approve or reject the same on merit.

**3. Approval by the Shareholders:**

- i. The following Related Party Transactions shall, after the approval of Board, shall also be placed before the shareholders for their prior approval:
  - a. All Material Related Party transactions and subsequent material modifications thereto.
  - b. All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act, thereby requiring the approval of shareholders.
  - c. Clause (a) and (b) shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

**4. Ratification of Related Party Transactions in exceptional cases:**

Any Related Party Transaction, which is not under omnibus approval, entered into by the Company with a Related Party, without obtaining the consent of Audit Committee or the Board of Directors or approval of shareholders in General Meeting, can, in genuine cases, be ratified by the Audit Committee or the Board of Directors or the shareholders at a General Meeting, y as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy. as permitted under the applicable laws.

5. While seeking the approval of the Audit Committee, Board or the Shareholders, all information that is relevant and necessary to the Related Party Transaction and as prescribed under the Laws or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board or Shareholders, as the case may be.

**G. General Criteria For Approval Of Related Party Transactions**

To review RPTs, the Audit Committee is provided with all relevant material information of the RPTs, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

The information provided specifically covers the following:

- a) the name of the Related Party and nature of relationship;
- b) the nature, duration of the contract and particulars of the contract or arrangement;
- c) the material terms of the contract or arrangement including the value, if any;
- d) any advance paid or received for the contract or arrangement, if any;
- e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
- g) the persons/authority approving the transaction; and
- h) any other information relevant or important for the Committee to take a decision on the proposed transaction.

**H. Decision Regarding Transaction In Ordinary Course Of Business And At Arm's Length**

- a) The Audit Committee/ the Board shall, in respect of the RPTs referred to them for approval, after considering the materials placed before them; judge if the transaction is in the ordinary course of business or at arm's length basis.

- b) The Audit Committee/ the Board may seek views of professionals/ specialists (on a need basis) for analyzing the appropriateness of the transactions from 'ordinary course of business' and 'arm's length' perspective.

#### **I. Omnibus Approval By Audit Committee For Related Party Transactions Proposed To Be Entered**

- a) The Audit Committee may grant an omnibus (umbrella) approval for RPTs proposed to be entered into by a company subject to the following conditions
- i. Such approval is in respect of transactions which are repetitive in nature and the criteria of granting such omnibus approval is in line with the RPTs policy of the company.
  - ii. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company.
  - iii. The omnibus approval should specify information for review and approval of proposed RPT and as may be applicable to the Company:
    - Type, material terms and particulars of the proposed transaction
    - Name of the related party and its relationship with the Company, including nature of its concern or interest (financial or otherwise)
    - Tenure of the proposed transaction (particular tenure shall be specified)
    - Value of the proposed transaction
    - The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction
    - If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company:
      - details of the source of funds in connection with the proposed transaction;
      - where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,
        - ❖ nature of indebtedness;
        - ❖ cost of funds; and
        - ❖ tenure;
      - applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
      - the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT
    - Justification as to why the RPT is in the interest of the Company
    - A copy of the valuation or other external party report, if any such report has been relied upon
    - Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis
    - Any other information that may be relevant

The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

- b) Further, in case where the need for a RPTs cannot be foreseen and the above details are not available, the Audit Committee may grant such omnibus approval provided the value does not exceed rupees one crore per transaction.
- c) The Audit Committee would review on a quarterly basis the aforesaid RPTs entered into by the Company pursuant to each of the omnibus approval given.
- d) Such omnibus approval would be valid only for a period of one year and would require fresh approval after expiry of the said period.

#### **J. Related Party Transactions Not Approved Under This Policy**

In the event the Company becomes aware of an RPT with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain *post-facto* approval from the Audit Committee.

In case the Company is not able to take prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

The Audit Committee shall consider all of the relevant facts and circumstances regarding the RPTs, and shall evaluate all options available to the Company, including ratification, revision or termination of the RPTs. In any case, where the Audit Committee determines not to ratify a RPTs that has been commenced without approval, the Audit 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 RPTs, the Committee has authority to modify or waive any procedural requirements of this Policy.

#### **K. Disclosure**

Disclosures as appropriate concerning the related party transactions and/or Material Related Party Transactions shall be made in the Annual Report of the Company including its Financial Statements, on the website of the Company and also to the Stock Exchanges where equity shares of the Company are listed and to such other authority as may be prescribed, from time to time within the time frame and following the procedure as required under the Applicable Laws.



## **L. Miscellaneous**

This policy is framed based on the provisions of the Companies Act, 2013 and Rules framed thereunder and the requirements of Listing Regulations, as amended from time to time. In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

## **M. Amendment to this policy**

The Board of Directors may as per the recommendations of Audit Committee amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant Statutory 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 hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

## **N. Disclosure of the Policy**

The Policy will be uploaded on the website of the Company.

**1) “Related Party”, with reference to Companies Act,2013 means—**

- i. a director or his relative;
- ii. a key managerial personnel or his relative;
- iii. a firm, in which a director, manager or his relative is a partner;
- iv. a private company in which a director or manager is a member or director;
- v. a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
- vi. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- vii. any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- viii. any Company which is—
  - a holding, subsidiary or an associate company of such company; or
  - a subsidiary of a holding company to which it is also a subsidiary;
  - an investing company or the venturer of the company.

- ix. such other person as may be prescribed

For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director (other than an independent director) or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.;

**2) Regulation 2 sub regulation (zb) of SEBI(LODR) Regulations,2015 states that:**

“related party” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 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 (20%) or more; or

(ii) of ten per cent or more (10%), 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.