LLOYDS ENTERPRISES LIMITED

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POLICY ON RELATED PARTY TRANSACTIONS

Policy on Related Party Transactions

- **Background:**

  The Board of Directors (the "**Board**") of Lloyds Enterprises Limited (the "**Company**"), has adopted the following policy and procedures on the recommendation of the Audit Committee with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

- **Objective:**

  This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) / amendment(s) / re-enactment(s) thereof ("**SEBI LODR**") and in terms of Section 188 of the Companies Act, 2013 ("**Act**") and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

  This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

  The provisions of this Policy are 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.

- **Definition:**

  a) **"Act"** means the Companies Act, 2013 including the rules, schedules, clarifications, and guidelines issued by the Ministry of Corporate Affairs and any amendment thereto and/or modification thereof from time to time.

  b) **"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. For determination of Arm's Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

  c) **"Audit Committee or Committee"** means "Audit Committee" constituted by the Board of Directors of the Company under provisions of SEBI LODR and Companies Act, 2013 as amended from time to time.

  d) **"Associate Company"** means any other Company, in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a joint venture company.

     Explanation: For the purpose of this clause

     "Significant Influence" means control of at least twenty per cent of total share capital, or business decisions under an agreement.

e) **“Board of Directors”** or (“**Board**”) means the Board of Directors of the Company.

f) **“Company”** means Lloyds Enterprises Limited.

g) **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

h) **“Material Related Party Transaction”** in terms of SEBI LODR means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year:

- Any transaction(s) with a related party if the amount exceeds Rs 1,000 crores or 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.
- In the case of brand usage or royalty payments, any transaction(s) exceeding 5% of annual consolidated turnover of the Company as per its last audited financial statements.

i) “**Material Modification(s)**” means an enhancement to an existing RPT exceeding 20% of the value approved earlier by the Audit Committee, Board, or shareholders as the case maybe.

j) **“Net Worth”** shall have the meaning assigned to it in Section 2(57) of the Companies Act 2013.

k) **“Policy”** means Related Party Transaction Policy.

l) “**Relative**” shall have the same meaning as defined under Section 2(77) of the Act and Regulation 2(1)(zd) of the SEBI LODR.

m) “**Related Party**” means a person or entity defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI LODR.

n) “**Related Party Transaction**” shall mean transactions as defined under the Act and Regulation 2(1)(zc) of the SEBI LODR.

o) **“Senior Management Personnel”** shall have the same meaning as prescribed under the Code of Conduct for Board Members and Senior Management Personnel of section 2 of the Companies Act, 2013.

p) **“SEBI”** means the Securities and Exchange Board of India.

q) **“Transaction”** with a related party shall be construed to include a single transaction or a group of transactions

r) **“Turnover”** shall have the meaning assigned to it in Section 2(91) of the Act;

All other words and expressions used but not defined in this Policy, shall have the same meaning as assigned to it under the Companies Act 2013, SEBI Listing Obligations and Disclosure Requirements (LODR) 2015 Regulations, Industry Standards etc.

- **Rationale of the Policy**
    a) The Audit Committee shall review and approve all RPTs including subsequent material modifications thereof based on this Policy.
    b) All proposed RPTs must be reported to the Committee for prior approval by the Committee in accordance with this Policy. In the case of frequent/regular/ repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre–approval/omnibus approval, details whereof are given in a separate section of this Policy.
    c) In cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee and the Board may ratify the transactions in accordance with the applicable law and this Policy

- **<u>Manner of Dealing with Related Party Transactions:</u>**

<u>Identification of Related Party Transactions:</u>

a. The Company shall identify Related Parties (including those of its subsidiaries), as per requirement of Companies Act, 2013 and SEBI LODR Regulations 2015 and keep the related party list updated from time to time;

b. Every Director, Key Managerial Personnel (KMPs) and Promoters shall at the beginning of the financial year provide information by way of written notice to the Company regarding their 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 the Companies Act, 2013 and SEBI LODR.

c. Directors, KMPs and Promoters are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party. as per the Companies Act, 2013 and SEBI LODR Regulations 2015.

d. Every Director, KMP and Promoter shall also be required to immediately intimate (within not more than 7 days) to the Company Secretary, any change (addition or deletion) to previously provided disclosure of concern or interest in any entity or list of relatives.

e. The identified Related Parties shall be tagged in SAP or equivalent accounting system of the Company or its subsidiaries.

f. Further, before any new vendor/ customer is onboarded into the SAP or equivalent system of the Company or its subsidiaries, as a part of vendor/ customer due diligence process, it shall also be checked from (i) the list of related parties so prepared and (ii) the promoter group, whether the new vendor/ customer is a related party and if so, it shall be tagged as Related Party in the system.

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel / Promoters as well as based on the list of related parties of the Subsidiary Companies, in the manner prescribed in the Companies Act, 2013 and the rules thereunder and SEBI LODR as amended from time to time.

- **<u>Review and approval of Related Party Transaction:</u>**

A. <u>Audit Committee Approval:</u>

- Every Related Party Transactions and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee of the Company.
- Members of the Audit Committee, who are independent directors, shall only approve related party transactions.
- The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR Regulations 2015 as amended from time to time.
- The Company shall place following information / documents before the Committee for its consideration of request for omnibus approval of Related Party Transactions:

  a) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into;

  b) the indicative base price / current contracted price and the formula for variation in the price if any; and

  c) such other conditions as the audit committee may deem fit.

  Provided that, where the need for Related Party Transaction(s) cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

- The Audit Committee shall review, at least on a quarterly or half yearly basis, the details of related Party Transactions entered into by the Company or its subsidiaries pursuant to each of the omnibus approvals given.
- The omnibus approval shall be valid for a period of one year from the date of approval.

B. <u>Board Approval:</u>

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:

a) 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;

b) 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;

c) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval;

d) Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the shareholders for approval.

C. <u>Shareholders' Approval:</u>

Material Related Party Transactions and Material Modifications thereto, laid down in the Policy, are placed before the shareholders for approval.

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.

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.

- **<u>Disclosure and Reporting:</u>**
  - Quarterly disclosure of material RPTs in Audit Committee and Board meetings.
  - Information as specified in the Industrial Standards and the Annexures issued by SEBI from time to time shall be placed before the Audit Committee.
  - Quarterly reporting to stock exchanges with corporate governance reports.
  - Publication of RPTs Policy on the Company's website and link thereto shall be provided in Annual Report.
  - Board's Report to include RPT disclosures as per the Act and Listing Regulations.
  - Dissemination of this Policy to all relevant employees and stakeholders.

- **<u>RPTs Not Approved Under the Policy:</u>**

If any RPT is entered without prior approval, the Company Secretary must be informed immediately. The matter will be placed before the Audit Committee/Board for ratification or appropriate action within three months or at the next meeting, whichever is earlier, subject to 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 SEBI LODR;

(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 listed entity against any loss incurred by it.

- **Disclosure:**

Appropriate disclosures as required under the Act and the LODR shall be made in the Annual Return, Directors Report and to the Stock Exchanges

- **Scope and Limitations:**

In case of any conflict between this Policy and statutory provisions, the provisions of the Act or SEBI LODR shall prevail. Any amendment to applicable laws shall automatically be deemed incorporated into this Policy.

- **Amendments:**

This Policy shall be reviewed by the Board at least once every three years or earlier as may be required, and revised accordingly.

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This Policy was amended by the Board of Directors on 11th November, 2025