



POLICY ON RELATED PARTY TRANSACTION

LCC PROJECTS LIMITED

(Formerly known as LCC Projects Private Limited)

CIN: U45500GJ2017PLC100301

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1. PREAMBLE:

The Board of Directors (the “Board”) of LCC Projects Limited (the “Company”), adopts the following Policy with regard to Related Party Transactions (RPT) as defined below, in compliance with the requirements of Section 188 of the Companies Act 2013 (the “Act”) and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”) (as amended from time to time) in order to ensure the transparency and procedural fairness of such transactions. The Policy lays down the key principles that will govern RPT and spells out the procedures that will be followed when RPT are to be entered into. The Policy shall be read with the Framework for RPT which has been adopted as a separate document. The Board will update the policy in the light of any subsequent modifications, amendments or re-enactment to the Act and/or to the Listing Regulations.

2. PURPOSE:

This policy is intended to ensure high standards of corporate governance at the Company by overcoming the potential conflict of interest that RPT are likely to create. It provides the assurance that the RPT are being regulated by the Board in the best interests of the Company and all its stakeholders by laying down the procedure for the proper review, approval and reporting of transactions, between the Company and any of its related parties.

Provisions of this policy are designed to govern the transparency of the approval processes and disclosure requirements to ensure fairness in Related Party Transactions, in compliance with the applicable laws.

3. DEFINITIONS:

“**Act**” means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time

“**Arm’s Length Basis**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Audit Committee**” means the Committee of the Board of Directors of LCC Projects Limited constituted under Section 177 of the Companies Act, 2013 and the Listing Regulations.

“**Board**” means Board of Directors of LCC Projects Limited.

“**Key Managerial Personnel**” has the same meaning as under Section 203 of the Companies Act, 2013.

“Material Modification” means any subsequent change to an existing Related Party Transaction, already approved by the Audit Committee/Board of Directors or the Shareholders of the Company or any alteration to the terms and conditions governing the said transaction.

“Material Related Party Transaction” means a transaction with a Related Party which, either individually or taken together with the previous transactions during that financial year, equals to or exceeds the threshold limit(s) prescribed under Annexure III of this Policy.

“Related Party” shall have the same meaning as prescribed in the SEBI Listing Regulations and the Act, including all amendments and modifications thereof from time to time.

“Related Party Transaction” means transactions/contracts/arrangements between the Company and its Related Parties in accordance with the Act and the SEBI Listing Regulations.

“Relative” means relative as defined under the Companies Act, 2013.

“Transaction” with a Related Party shall be construed to include single transaction or a group of transactions entered into under a single contract.

Words, terms and expressions used and not defined in these rules or SEBI Listing Regulations but defined in the Act shall have the same meaning respectively assigned to them in the Act.

4. PROCEDURE:

All transactions with Related Parties shall be in the ordinary course of business and at arm’s length and shall be subject to the prior approval of the Audit Committee. If any transaction with Related Party(s) is not in the ordinary course of business and/or not at arm’s length, then:

- a) All such transactions will require prior approval of the Audit Committee;
- b) Will require prior approval of the Board; and
- c) Will require prior approval of the shareholders of the Company by special resolution if they exceed the threshold limits mentioned u/s 188 of the Act read with Rules.

Further, any Material Transaction proposed to be entered into with a related party shall also be approved by the Board of Directors of the Company after they have been approved by the Audit Committee.

In compliance with SEBI Listing Regulations, approval of the shareholders through special resolution shall be taken for all such Material Transactions with Related Party(s) and such Related Party(s), irrespective of whether the entity is a party to a particular transaction or not, shall abstain from voting on such resolutions. Approval of the shareholders shall not be required for any transactions to be entered into by the Company with its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

4.1 Identification of Potential Related Party Transactions:

Each Director and Key Managerial Personnel is responsible for providing advance notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her

dependent Relatives, including any additional information about the transaction that the Board/Audit Committee may request.

The Audit Committee will review and determine whether any Transaction with such Party(s) will, in fact, constitute a Related Party Transaction requiring compliance with this RPT policy. Any member of the Audit Committee or Board who is directly or indirectly interested in any Related Party Transaction shall recuse himself and abstain from participating in the discussion and voting for such item under consideration by Audit Committee and Board, as the case may be.

4.2 Approval of Related Party Transactions:

As mentioned above, all the transactions proposed to be entered into with Related Parties and any Material Modification thereof, shall require prior approval from the Audit Committee. In the case of the transactions which are repetitive in nature, a list of all proposed Transactions with the Related Party, shall be placed before the meeting of the Audit Committee before the beginning of each financial year; Provided that where the need for Related Party Transaction cannot be foreseen and the required details are not available, the Audit Committee may grant omnibus approval for such Transactions which shall not exceed Rs. 1.00 (One) Crore.

Following details should be provided to the Audit Committee and the Board where approval for entering into Transactions with Related Party(s) are sought:

- 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) Any advance paid or received for the contract or arrangement, if any;
- d) Business rationale for the Company to enter into the Related Party Transaction – the need and benefit test;
- e) Terms of the Related Party Transaction along with comparison with third party comparable quotes to determine whether the transaction is on an Arm's Length Basis;

The Audit Committee may call for such additional information as may be required for granting approval to such transactions. In respect of transactions which are repetitive in nature, the Audit Committee may, after satisfying itself as to the need for granting such approval, provide an omnibus approval for each transaction with Related Party within which the transactions with the Related Parties should be executed during the year. Such omnibus approval shall specify (i) the name/s of the Related Party, nature of Transaction, period of Transaction, maximum amount of transaction that can 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.

Any member of the Committee who has a potential interest in any Related Party Transaction shall recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

4.3 Review of Related Party Transactions:

The Management shall lay down an appropriate framework including the pricing mechanism to ensure arm's length pricing for dealing with the Related Party(s). The Management shall institute appropriate

administrative mechanism to ensure that all Related Party Transactions are in compliance and reviewed in accordance with these policies and procedures including maintenance of proper records in this regard.

All the transactions with Related Parties shall be referred to the Audit Committee for review at its scheduled quarterly meetings or as may be called upon by the Audit Committee from time to time along with all relevant information of such transaction(s).

The Audit Committee may refer any of the Related Party Transactions brought before it or it being mandatory under any law, for approval of the Board. The Board may on its own accord also decide to review any Related Party Transaction. The above mentioned procedure as set out in clauses 4.1 to 4.3 of this Policy shall be followed by Board for considering and granting approval to Related Party Transactions.

The Audit Committee shall review, at least on a quarterly basis, the details of such Related Party Transactions entered into by the Company pursuant to each omnibus approval given.

The Audit Committee shall periodically review this RPT policy and may recommend amendments, from time to time as it may deem appropriate, to the Board. The Audit Committee may seek advice of external consultants and experts on determining whether a particular transaction which is being considered by the Audit Committee would be regarded on an arms' length basis or otherwise.

4.4 Procedure to be followed for approval of Related Party Transactions:

To review and approve a Related Party Transaction, the Audit Committee will be provided with all relevant material information of the Related Party Transaction, including the following:

- Name of related party and details explaining nature of relationship;
- Nature of transaction and material terms thereof including the value, if any;
- Business rationale for the Company to enter into the Related Party Transaction – the need and benefit test;
- Terms of the Related Party Transaction along with comparison with third party comparable quotes to determine whether the transaction is on an Arm's Length Basis;

Any member of the Committee who has a potential interest in any Related Party Transaction shall recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

If the Audit Committee determines that a Related Party Transaction should be placed before the Board for review/approval, or if the Board in any case elects to review any such matter or it is mandatory under any law for the Board to approve the Related Party Transaction, the considerations set forth above shall apply to the Board's review and approval of the matter.

5. RELATED PARTY TRANSACTION NOT APPROVED UNDER THIS RPT POLICY:

In the event any Transaction has been undertaken/is being undertaken with a Related Party without obtaining requisite approval under this RPT policy, such transactions should be immediately reported to the Board. Such Transactions shall be reviewed by the Audit Committee in the next meeting. The Audit Committee shall be provided with all the relevant facts and circumstances for entering into such transaction with a related party. Based on the information provided, the Audit Committee shall evaluate and take such necessary steps, as it may deem fit, including Ratification, Termination or Revision of any terms of the Related Party Transaction. The Audit Committee shall keep the Board apprised of any instances of such transactions entered into with any related party in contravention of this RPT policy and recommend to Board for its approval.

6. DISCLOSURES:

The Company will make adequate disclosures with respect to the Related Party Transactions as under:

- (i) All Material Related Party Transactions or any subsequent Material Modification thereof will be disclosed to Stock Exchanges on a quarterly basis along with the compliance report on corporate governance consistent with the SEBI Listing Regulations.
- (ii) All Related Party Transactions on a consolidated basis shall be required to be submit to the Stock Exchanges on the same date of publication of its standalone and consolidated financial results on half year basis in a format as specified by the Stock Exchanges from time to time and simultaneously publish the same on the website of the Company.
- (iii) The Company will disclose this policy on its website and a web link thereto shall be provided in the Annual Report.

- (iv) Particulars of contracts or arrangements entered into with Related Parties along with the relevant justifications shall also be disclosed in the Directors' Report in accordance with the Companies Act, 2013.

7. REGISTERS:

The Company shall maintain a register giving the particulars of all contracts or arrangements to which this policy applies and such register shall be placed/taken note of before the meeting of the Board of Directors and signed by all the Directors present at the meeting.

8. ANNUAL REVIEW AND AMENDMENTS:

The Audit Committee and Board of Directors will review this Policy at least once every three years and update or revise them as may be required. This policy may be amended by the Board of Directors at any point of time.

9. EFFECTIVE DATE:

This Policy has been approved by the Board of Directors and is effective from 18.02.2025.