LORDS CHLORO ALKALI LIMITED
POLICY ON RELATED PARTY TRANSACTIONS

1. INTRODUCTION

This Policy on Related Party Transactions (hereinafter referred to as "Policy") of Lords Chloro Alkali Limited (hereinafter referred to as "the Company") and the amendment to this Policy, if any, by the Board of Directors of the Company or any committee thereof shall be effective from the date on which it is notified from time to time.

The Company always been committed to best corporate governance practices and this Policy is prepared for ensuring compliance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other regulatory provisions, as may be applicable.

2. OBJECTIVE

As per Regulation 23(1) of the Listing Regulations, the listed entity shall formulate a policy on Transactions. In addition to that the listed entity shall also comply with the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.

The Policy is framed to ensure due and proper compliance with the applicable statutory provisions and to fortify that proper procedure is defined and followed for approval / ratification and reporting of transactions, if any, as applicable, between the Company and any of its Related Parties. The provisions of this Policy are designed to govern the transparency of approval process and disclosures requirements to accord fairness in the treatment of related party transactions.

3. DEFINITIONS AND INTERPRETATIONS

"**Act**" means the Companies Act, 2013 and rules made there under as amended from time to time.

"**Arms' Length Basis**" means a transaction between two related parties as if they are un related, so that there is no conflict of interest.

"**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.

Explanation.—For the purposes of this clause- (a) the expression "significant influence" means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement; (b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

"**Audit Committee**" means a committee of the Board of Directors of the Company constituted under provisions of the Companies Act and Listing Regulations.

"**Board**" shall mean Board of Directors of the Company.

"**Control**" as defined under the Act includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

"**Holding Company**" shall have the meaning as specified under section 2(46) of the Companies Act, 2013.

"**Listing Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"**Key Managerial Personnel**" as defined under the Companies Act, 2013 means:

(1) the Chief Executive Officer or the managing director or the manager;
(2) the Company Secretary;
(3) the Whole-time Director;
(4) the Chief Financial Officer; and
(5) 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
(6) such other officer as may be prescribed.

"**Related Party**"

a. Under the Companies Act, 2013

"**Related Party" means**, with reference to a company;

i) A director or his relative;
ii) 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 or his relatives 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 2% of its paid-up share capital;
vi) A 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 body corporate which is—
(a) a holding, subsidiary or an associate company of such company;
(b) a subsidiary of a holding company to which it is also a subsidiary; or
(c) an investing company or the venturer of the company; Explanation.—For the purpose of this clause, "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.
ix) such other person as may be prescribed.

Under Rule (ix), Director (other than Independent Director) or Key Managerial Personnel of the holding company or his relative with reference to a company, shall be deemed to be related party as per Rule 3 of the Companies (Specification of Definition Details) Rules, 2014

Here the term "Relative" means relative as defined under 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. One person is related to another in the following manner, namely:
   (a) Father (including step-father)
   (b) Mother (including step-mother)
   (c) Son (including step-son)
   (d) Son's wife
   (e) Daughter
   (f) Daughter's husband
   (g) Brother (including step-brother)
   (h) Sister (including step-sister)

b. As per Listing Regulations

"**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 part of the promoter or promoter group of the listed entity; or

(b) any person or entity, holding equity shares:
   i) of twenty percent or more or
   ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

c. As per Indian Accounting Standard (Ind AS) 24

A "**Related Party**" is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

(a) A person or a close member of that person's family is related to a reporting entity if that person:
   (i) has control or joint control of the reporting entity;
   (ii) has significant influence over the reporting entity; or
   (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:
   (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

"**Related Party Transactions**"

a. Under the Companies Act, 2013

Any contract or arrangement with respect to the following shall be considered as a Related Party Transactions (RPTs):

i) sale, purchase or supply of any goods or materials;

ii) selling or otherwise disposing of, or buying, property of any kind;

iii) leasing of property of any kind;

iv) availing or rendering of any services;

v) appointment of any agent for purchase or sale of goods, materials, services or property;

vi) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

vii) underwriting the subscription of any securities or derivatives thereof of the Company.

Notwithstanding the foregoing, the following shall not be deemed RPTs:

i) Any transaction which is in the ordinary course of business and on an arms' length basis as determined in terms of this Policy.

ii) Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder.

b. As per Listing Regulations

A "**Related Party Transaction**" means a transaction involving a transfer of resources, services or obligations between:

(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or

(ii) a listed entity 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 listed entity or any of its subsidiaries; with effect from April 1, 2023;

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 by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

i. payment of dividend;
ii. sub-division 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) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

(d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

(e) retail purchases from any listed entity 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:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

"Material Modification in Related Party Transaction": "Material modification in a related party transaction" means any modification related to change in price, tenure, delivery schedule, non-statutory obligations, terms and conditions or short closure of any contract or arrangement with related party.

"Material Related Party Transactions": as per the SEBI Listing Regulations and Companies (Meetings of Board and its Powers) Rules, 2014:

a. If the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

b. As per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, relating to the threshold limits for determining the materiality of transaction(s).

"RPT Industry Standards" refers to Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" formulated by Industry Standards Forum ("ISF") comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, in consultation with SEBI.]

" Subsidiary Company" shall have the same meaning as specified under section 2(87) of the Companies Act, 2013**.**

"**Turnover**" means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both by the Company during a financial year.

"**Wholly Owned Subsidiary**" When a company holds 100% of shares of another company, the other company is called a Wholly Owned Subsidiary of the company who has made 100% investment in it.

4. DETERMINING "ORDINARY COURSE OF BUSINESS

"In the Ordinary Course of Business" means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, in the normal routine in managing trade or business and is permitted by the objects clause of the Memorandum of Association of the Company. The Company should take into account the frequency of the activity and its continuity carried out in a normal organised manner for determining what is in the ordinary course of business.

5. DETERMINING ARM LENGTH TRANSACTIONS IN RELATED PARTY

In order to determine whether a transaction is at arm's length, the Audit Committee / Board will exercise its own judgement based on its assessment from the information furnished and the relevant factors concerning each such transaction. The Audit Committee may also rely on third party professional certifications.

6. IDENTIFICATION OF RELATED PARTY TRANSACTION

- Related Parties shall be identified in accordance with the applicable provisions of Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Each Director / Key Managerial Personnel is responsible for providing written notice to the Compliance Officer of any potential Related Party Transaction involving him or his relatives, including any additional information about the transaction that the Compliance Officer may reasonably request. The Compliance Officer, in consultation with other members of management and with the Audit Committee, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

Every Director / Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his

concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in or exercise influence over any such discussion.

Where any Director / Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, shall disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

A contract or arrangement entered into by the Company without disclosure or with participation by a Director / Key Managerial Personnel who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Compliance Officer has adequate time to obtain and review information about the proposed transaction and other matters incidental thereto and to refer it to the appropriate authority for approval.

7. APPROVAL REQUIREMENTS OF RELATED PARTY TRANSACTION

7.1 **Approval of Audit Committee:**

All RPT shall be subject to prior approval, recommendation or ratification by the Audit Committee whether at a meeting or by resolutions by circulation.

Audit Committee approval shall not be required for remuneration and siting fees paid by the Company to its Directors, Key Managerial Personnel or Senior Management Personnel, except who is a part of promoter or promoter group, provided they are not material in terms of the provisions of Listing Regulations.

Only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions. Any member of the Committee who has a potential interest in any RPT will abstain from discussion and voting on the approval of the RPT.

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 Transaction:

i Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company.

ii Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

iii Whether the nature of the proposed transaction is something that the Company would have ordinarily done in the course of its business;

iv Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

v Where the ratification of the Related Party Transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company or in contravention of any law; and

vi. Any other factor the Committee deems relevant for reviewing and approving such Related Party Transaction.

7.2 Omnibus Approval

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company or its unlisted subsidiary23 subject to the following conditions:

- The transactions are repetitive in nature;
- The approval is in the interest of the company;
- Adequacy of justification for the need of omnibus approval;
- Maximum value of transactions in aggregate and maximum value per transaction.
- The omnibus approval to specify –
  - the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
  - the indicative base price / current contracted price and the formula for variation in the price if any; and
  - such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction 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.

Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval given; and

Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

The Audit Committee shall not grant omnibus approval for transactions in respect of selling or disposing of the undertaking of the Company.

Prior approval of the Audit Committee shall not be required for:

i. Transactions exempted under Regulation 23(5) of the LODR Regulations;
ii. Quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of the LODR Regulations
iii. Transactions with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) do not exceed Rs. 1 Crore.

7.3 Approval of Board of Directors:

All Related Party Transactions within the scope of Section 188 of the Act and Regulation 23 of the SEBI Listing Regulation, which are not in the Ordinary Course of Business and not at an arm's length shall require prior approval of the Board.

In addition, the following Related Party Transactions shall also be placed before the Board for approval:

- Material Related Party Transactions and any subsequent Material Modifications to Related Party Transactions, which are intended to be placed before the shareholders for approval.

- All other Related Party Transactions as referred by the Audit Committee from time to time.
- Where it is mandatory under any law for Board to approve such transactions, or where the Board, suo-moto chooses to review such RPTs

Information in such form and manner as prescribed in the Act and/or SEBI Listing Regulations shall be provided to the Board.

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.

7.4 Approval of shareholders:

All Related Party Transactions pursuant to section 188 of the Act which are not in the ordinary course of business and / or not an Arms' length basis and which crosses the threshold limits prescribed under Act, shall also require the approval of shareholders of the Company through a resolution.

All Material Related Party Transactions and Subsequent Material Modifications thereto, after considering the effect of such modifications, if any, will require the prior approval of shareholders through resolution.

Provided that prior approval of the shareholders of the Company shall not be required for:

a. 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 Regulations are applicable to such listed subsidiary;

b. a Related Party Transaction 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;

c. a Related Party Transaction 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.

Provided further that for Related Party Transactions of unlisted subsidiaries of a listed subsidiary, the prior approval of the shareholders of the listed subsidiary shall suffice.

7.5 Ratification of Related Party Transactions:

Audit Committee, who are independent directors, may ratify RPT 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 in terms of Listing Regulations;

iii. rationale for inability to seek prior approval for the transaction shall be shared at the time of seeking ratification; and

iv. details of the ratification shall be disclosed alongwith the RPT disclosure under Listing Regulations.
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.

7.6 Information disclosure of Transactions

The Company while placing RPT for approval / modification / ratification to the Audit Committee/Board of Directors/shareholders shall provide all the information pertaining to such RPT as required under the Companies Act, 2013 and the Rules made thereunder, the Listing Regulations and the circulars/RPT standards/guidelines issued thereunder, as amended from time to time.

Further, the Audit Committee / Board of Directors may seek any additional information from the management, as it deems necessary and reasonable, to evaluate the proposed RPT. The Audit Committee/ Board may decide to refer the RPT to an external law firm / advisor to obtain opinion on the aspects of 'Ordinary Course of Business' / 'Arm's Length' or any other related aspect.

8. RESTRICTIONS ON PARTICIPATION BY INTERESTED DIRECTOR IN THE AUDIT COMMITTEE/ BOARD MEETING

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.

9. DISCLOSURES

The Company shall submit to the stock exchanges, disclosures of related party transactions and publish the same on the website, in the manner prescribed under SEBI LODR from time to time

10. SCOPE LIMITATION

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 and / or Listing Regulations and / or other applicable laws, the provisions of the Companies Act, 2013 and / or Listing Regulations and / or other applicable laws shall prevail.

11. AMENDMENT TO LAW

Any subsequent amendments / modifications in the Companies Act, 2013 and / or Listing Regulations and / or other applicable laws shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

**Approved in the Meeting Board meeting held on 09/02/2026*

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