

LUMINA DATAMATICS LIMITED
RELATED PARTY TRANSACTION POLICY

Version	1.0
Department	Legal and Secretarial
Approved By	Board of Directors at their meeting held on July 31, 2024
Effective Date	July 31, 2024

1. PREAMBLE

Lumina Datamatics Limited [“hereinafter referred to as the Company”] is a trusted partner to several Fortune 500 companies in the global publishing and retail industries, addressing their needs in content, technology, e-commerce/ e-retail. Company helps its clients improve their business competitiveness and achieve operational efficiency. The Company manages end-to-end publishing processes from content creation till product delivery and provides a competitive edge to increase sales through advanced content solutions, business intelligence with content, and ecommerce/ e-retailing solutions.

The Company is committed to good corporate governance practices. As a matter of practice, the Company follows arm’s length basis in transacting business with its related parties, which are in the ordinary course of business. This Policy applies to transactions between the Company and one or more of its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

2. PURPOSE

The purpose of this Related Party Policy (the "Policy") is to define the procedures and guidelines for the identification, approval, reporting of transaction and disclosure of transactions between Company and its related parties, as required under the Companies Act, 2013 (the "Act"), and other applicable regulations.

3. DEFINITIONS

- 3.1. **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 as defined in explanation (b) to Section 188 (1) of the Companies Act, 2013.
- 3.2. **“Associate Companies”** 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 per cent 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;
- 3.3. **“Audit Committee”** shall mean the Committee of Board of Directors of the Company constituted under provisions of Section 177 of the Act.
- 3.4. **“Board”** shall mean the Board of Directors of the Company.
- 3.5. **“Control”** shall have the same meaning as under the Act.
- 3.6. **“Key Managerial Personnel”** means key managerial personnel as defined under the Act.
- 3.7. **“Material Related Party Transaction under the Act”** means transactions by the Company with related parties defined under Section 2 (76) of the Act of following nature, that are either not in the ordinary course of business or not on an arm’s length basis:
- a. sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to 10% or more of the turnover of the Company;
 - b. selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agent, amounting to 10% or more of the net worth of the Company;
 - c. leasing of property of any kind amounting to 10% or more of the turnover of the Company;
 - d. availing or rendering of any services directly or through appointment of agent, amounting to 10% or more of the turnover of the company;
 - e. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding Rs. 2,50,000; and
 - f. remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding 1% of the net worth.
- 3.8. **“Ordinary course of Business”**, means a transaction which is:
- i. Carried out in the normal course of business;
 - ii. Custom and practices undertaken by the Company to conduct its business operations and activities.; or
 - iii. All such activities which the Company can undertake as per its Memorandum & Articles of Association or
 - iv. Meets any other parameters/criteria as decided by Board/Audit Committee.
- 3.9. **“Related Party”** shall mean and include any person or entity which is a related party under Section 2(76) of the Act;

3.10. **“Related Party Transaction (RPT)”**: A Related Party Transaction means any contract or arrangement entered into by the Company with any of its Related Party

3.11. **“Relative”** means relative as defined under the Act.

Any other term not defined herein shall have the same meaning as defined in the Companies Act 2013, or Indian Accounting Standard as amended from time to time.

4. POLICY

4.1. Identification of Related Parties and potential Related Party Transactions:

All Directors/Key Managerial Personnel (KMP) are required to disclose the entities in which they or their relatives are or deemed to be interested on an annual basis/any changes during the year. Each Director and KMP of the Company shall promptly notify the Company Secretary of any material transaction or Relationship that could reasonably be expected to give rise to any conflict of interest. The Company shall maintain records as may be prescribed under the Act. The Company shall regularly verify and update Related Party list.

As a policy, Company shall periodically identify transactions falling under contracts and arrangements (as per the Applicable Law) entered into with related parties for the consent of the Audit Committee, Board of Directors and shareholders, as applicable. The Company shall report the Related Party Transactions and put the same for necessary approvals required as per the Applicable law.

4.2. Criteria for determination of Related Party Transactions on Arm’s Length Basis:

The Audit Committee may consider following illustrative tests for ascertaining arm’s length nature of transactions that may be entered into by the Company with related parties, or any modification, variation, extension or termination thereof:

- a. The transactions are required in the ordinary course of business and are in the interest of the company.
- b. The transactions are entered into with Related Parties, are at such prices/ discounts/ premiums and on such terms, which are offered to unrelated parties of similar category/ profile;
- c. The transactions have been commercially negotiated;
- d. The pricing is arrived at as per the applicable acts/rules and guidelines that may be issued by any Regulatory Authority.
- e. The terms of transactions other than pricing are generally on a basis similar to those as may be applicable for similar category of goods and services or similar category/ profile of counterparties.
- f. Such other criteria as may be issued under Applicable Law.

4.3. Review and Approval of Related Party Transactions by Audit Committee:

All related party transactions shall require prior approval of the Audit Committee of the Company, unless the approval is exempted pursuant to the provisions of applicable law and this policy.

However, the Audit Committee at its discretion may grant prior omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to compliance of the conditions prescribed under Rule 6A of Companies (Meetings of the Board and its Powers) Rules, 2014. In cases where prior approval is not obtained, the Audit Committee may ratify such transactions within 3 months from the date of the transaction, or may put forth the transactions before the Board along with its recommendations and the Board may either ratify such transactions or seek to avoid the same.

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

Omnibus approval shall not be made for transactions regarding selling or disposing of the undertaking of the Company.

All Related Party Transactions carried out by the Company and covered under the provisions of omnibus approval by the Audit Committee, shall be reviewed on quarterly basis.

In an unforeseen event where a related party transaction, for which omnibus approval has not been given by the audit committee, needs to be entered due to business exigencies between two audit committee meetings, the audit committee may approve such related party transaction by passing a resolution by circulation or ratify in the same in the next Audit Committee Meeting, after satisfying itself that such transaction is in the interest of the company.

In case of transactions with wholly owned subsidiaries, prior approval of Audit Committee will only be required for transactions covered under Section 188 of the Act.

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

To facilitate review of each Related Party Transaction for granting approval (whether specific or omnibus), the Audit Committee will be provided with all relevant information of the Related Party Transaction, including the purpose, terms and details of the transaction, the benefits, rights and obligations of the Company and the Related Party, and any other relevant information.

In compliance with the Act and Rule 6A of the Companies (Meetings of Board and its Powers), Rules 2014, the omnibus approval of Audit Committee shall specify:

- (i) the name(s) of the related party, nature of transaction, period/duration of transaction, maximum amount of transactions that shall be entered into;
- (ii) the indicative base price / current contracted price and the formula for variation in the price if any;
- (iii) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction; and
- (iv) 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 rupees one crore per transaction.

4.4. Review and Approval of Related Party Transactions by Board of Directors:

Following Related Party Transactions shall require the approval of Board:

- i. Where the transaction is not in ordinary course of business and/or not at arm's length as specified in Section 188(1) of the Act, such Related Party Transaction shall require approval of the Board at their meeting as required under the Act or rules made thereunder and statutory modification or enactment thereof.
- ii. Material Related Party Transactions

Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting under Section 188(1) of the Act and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, 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.

4.5. Approval of Material Related Party Transactions by Shareholders:

All Material Related Party Transactions shall require prior approval of the shareholders through resolution and all the members falling under the definition of related parties, irrespective of whether the member is a party to the particular transaction or not, shall not vote to approve the relevant transaction/resolutions.

All Contracts or arrangements with Related Parties as outlined under Section 188, other than those entered into on an arm's length basis or in the ordinary course of business shall require the approval of the shareholders of the Company by way of a resolution, as prescribed in the Act if the conditions and thresholds prescribed in the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, are satisfied.

4.6.Related Party Transactions Involving Wholly Owned Subsidiary Companies:

The Act exempt transactions entered into between the 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, from the requirement of shareholders' approval.

4.7.Related Party Transactions not approved under this Policy:

In the event the Company becomes aware of any Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be brought to the notice to the Audit Committee within 30 days from the date it is found by the Company. The Audit Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the said Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without appropriate 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 Related Party Transaction, the Audit Committee shall have the authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

4.8.Administrative Measures

The Company's management shall institute appropriate administrative measures to ensure that all RPTs entered into by the Company are in compliance with applicable laws and this Policy. All persons dealing with the related party(ies) shall, irrespective of their level, be responsible for compliance with this Policy.

4.9.Disclosure

The Company shall disclose the Policy on its website i.e. <https://www.luminadatamatics.com/people/company-policies/> . Other disclosures in relation to the Related Party Transactions undertaken by the Company shall be made in accordance with applicable law.

4.10. Policy Review

The Board of Directors of the Company shall be review and update the Policy at least once every three years or as and when required.

4.11. Clarification of the Policy

As per instruction and in consultation with the Audit Committee, KMP may issue clarification for effective and smooth implementation of the Policy.

4.12. Amendment(s) in the Policy

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant government 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.
