

LOKESH MACHINES LIMITED

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POLICY ON RELATED PARTY TRANSACTIONS

Lokesh Machines Limited
Policy on Related Party Transactions

The Board of Directors of “Lokesh Machines Limited” has adopted the following policy and procedures with regard to Related Party Transactions [“the Policy”] as defined below. The said policy includes materiality thresholds and the manner of dealing with Related Party Transactions in compliance with the requirements of Section 188 of the Companies Act, 2013 and the Rules there under and the SEBI (LODR) , Regulations 2015, Amendments from time to time to the policy, if any shall be considered by the Board of Directors based on the recommendation of the Audit Committee.

Words and expressions used in this policy are defined in the Companies Act, 2013 read with relevant Rules thereof (including statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (LODR), Regulations, 2015 or Accounting Standard shall have the meanings respectively assigned to them in the said Acts or the Rules.

1. The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all the Related party Transactions pursuant to Section 188 of Companies Act, 2013.

2. In the event of such contract(s) or arrangement(s) is not in the ordinary course of business or at arm’s length, the Company shall comply with the provisions of Companies Act, 2013 and the Rules there under, provisions of SEBI (LODR), Regulations, 2015 or Accounting Standard and also obtain the approval of the Board or Shareholders, as applicable, for all such contract(s) or arrangement(s).

3. All Material Related Party transaction(s) will be placed for approval of the Shareholders of the Company. A transactions with a Related Party considered Material if the transaction(s) to be entered into, either individually or taken together with previous transactions with such Related Party during a financial year, exceeds the limits laid down in clauses (a) to (g) of sub-section (1) of section 188 of Companies Act,, 2013.

4. The Audit Committee may in the interest of the conduct of the affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:

a. The name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into:

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

c. Such other conditions as the Audit Committee may deem fit.

However the Audit Committee shall review, on a quarterly basis the details of Related Party Transactions entered into by a Company pursuant to each omnibus approval provided. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

5. Key Managerial Personnel (KMP) and connected Related Parties: Each director and KMP shall at the beginning of the financial year disclose to the Compliance Officer of the Company their Related Parties and disclose any changes thereto during the Financial year as immediately as practicable.

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The Company shall also identify Related Party Transactions, if any with Directors or KMP of the holding Company, if any or their relatives.

6. Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

a. Any transactions that involve the providing of compensation to a director or KMP in connection with his or her duties to the Company, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

7. The Company, Audit Committee or the Board shall comply with applicable provisions of the Companies Act, 2013 read with relevant Rules, Circulars/Clarifications thereof [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], SEBI (LODR), Regulations, 2015 or Accounting Standard.

8. The Board or the Audit Committee may amend this policy from time to time as may be required. Any interpretation, determination or other action taken by the Audit Committee or the Board shall be final and binding on all Parties.
