



Lovable Lingerie Limited (“LLL”)
Policy on Related Party Transactions 2.0

1. Introduction

The Board of Directors (the “**Board**”) of Lovable Lingerie Ltd. (the “**Company**”) has adopted this policy and procedures with regard to Related Party Transactions (“**Related Party Transaction Policy**”), in line with the requirements of Section 188 of the Companies Act, 2013 read with Rules made thereunder (hereinafter referred to as “the Act”) and Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (“SEBI (LODR), 2015”) and subsequent amendments thereto (hereinafter referred to as “Regulation 23”).

2. Objective

The objective of this policy is to maintain transparency and fairness in dealings with persons who are considered as related party to the Company so that interest of stakeholders is protected.

3. Definitions

1. “**Act**” means the Companies Act, 2013 and rules made thereunder and any circulars / notification / general orders issued from time to time;
2. “**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;
3. “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act read with Regulation 18 of Listing Regulations.
4. “**Board of Directors**” or “**Board**” means the collective body of the directors of the Lovable Lingerie Limited;



5. “**Company**” means Lovable Lingerie Limited or LLL;

6. “**Key Managerial Personnel**” means:

As per Section 2(51) read with Rule 2 of the Companies (Specification of definitions details) Rules, 2014:

- a) the Chief Executive Officer or the Managing Director or the Manager;
- b) the Company Secretary;
- c) the Whole-time Director;
- d) the Chief Financial Officer;
- e) 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
- f) any other person appointed by the Board of Directors as Key Managerial Personnel.

Persons defined under Indian Accounting Standard-24 or INDAS-24 shall also be considered as KMP.

7. “**Listing Regulations**” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 includes Standard Operating Procedures (SOPs), notifications, circulars & clarifications as issued/amended by the Securities and Exchange Board of India, from time to time.

8. “**Material Modifications**” means a change or variation of Twenty percent (20%) or more, in value, of earlier approved transactions.

9. “**Material Transactions**” means:

- a) transactions to be entered with related parties either individually or taken together with previous transactions during the financial year exceed rupees one thousand crore (INR 1000 crore) or ten percent (10%) of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.



- b) transactions to be entered with related parties with respect to brand usage or royalty if it exceeds five percent of the annual consolidated turnover of the Company as per its last audited financial statements.
 - c) the thresholds mentioned in sub-clauses 'a' and 'b' above shall always be in line with the thresholds prescribed under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") as may be amended from time to time. In case of any difference between the thresholds under this policy and the SEBI LODR, the thresholds under SEBI LODR shall prevail.
10. **"Policy"** or **"this policy"** means Policy on Related Party Transactions.
11. **"Related Party"** means related party as defined in Section 2(76) of the Act; Regulation 2(1)(zb) of the Listing Regulations; applicable accounting standard(s) and defined under any other laws applicable to the Company.
12. **"Related Party Transaction"** or **"RPT"** means a transaction as defined under Regulation 2(1)(zc) of the listing regulations; transaction specified in Section 188(1) of the Act or covered under the applicable accounting standard on related party.
13. **"Transaction in Ordinary Course"** means the transactions which the Company deals regularly, frequently or incidentally to the business of the Company.
14. **"Omnibus"** refers to the collective approval of the transaction instead of the piecemeal / individual approval.
15. Any term not defined above, shall have the meaning assigned to it under the Act or Listing Regulations, as the case may be.

4. Compliances

- i. The RPTs should be in conformity with the Act, Listing Regulations and applicable Accounting Standards, as amended from time to time.

- ii. The Audit Committee of the Board of Directors shall thoroughly review, approve and recommend the related party transactions to the Board of Directors as per the terms of reference as may be defined by the Board of Directors from time to time.
- iii. While reviewing the transactions, the Audit Committee shall ensure that:
 - The transaction is in the best interest of the Company.
 - The conflict of interest is avoided and the transactions are carried out on arm's length basis. For determination that the transactions are at arm's length basis, the Committees may rely on reports / certificates of the independent subject matter experts as it may deem necessary.
- iv. All RPTs specified in the Act which are not in the ordinary course of business of the Company or not at arms' length basis and exceed the thresholds laid down in the Act shall be placed before the shareholders' for their approval.
- v. The Audit Committee may grant Omnibus approval for RPTs, which are repetitive in nature, provided that such approval shall remain valid for period not exceeding one year. Further, where the need for RPTs cannot be foreseen and requisite details are not available, the Audit Committee may grant Omnibus approval for such transactions provided that value of each such transaction shall not exceed ₹ 1 crore.
- vi. All RPTs and subsequent material modifications shall be placed before the Audit Committee for prior approval and only independent members of the Audit Committee will approve these RPTs. The RPTs which cross the materiality threshold as defined under the Listing Regulations and subsequent material modifications thereof, shall be entered by the Company only with the prior approval of the shareholders of the Company and no related party shall vote to approve, whether the Related Party is a party to a particular transaction or not.



- vii. Subject to applicable laws, the Audit Committee shall have the power to ratify, revise or terminate the RPTs, which are not in accordance with this Policy.
- viii. Any transaction that is specifically excluded from applicability of the related party provisions under the Act and / or the Listing Regulations shall not require a separate approval under this policy.

5. Administration

- i. 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.
- ii. All persons dealing with the related party(ies) shall, irrespective of their level, be responsible for compliance with this Policy. The detailed processes relating to implementation of this Policy, as may be approved by the Audit Committee from time to time, shall be followed by all concerned.
- iii. The Internal Auditors of the Company shall review the RPTs entered into by the Company on a periodic basis and report their observations to the Audit Committee.
- iv. The Company Secretary or any KMP appointed for the purpose shall be responsible to maintain/update the list of related parties (as required by applicable laws) and provide the same to all concerned.
- v. It is the duty of all employees of the Company to ensure that they do not deal with related parties under any kind of influence or coercion. The cases involving any unwarranted pressure should be promptly reported as per mechanism provided under the Whistle Blower Policy of the Company.

6. Interpretation

In any circumstance where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedence over this Policy until such time



as this Policy is changed to conform to the said law, rule, regulation or standard. In case of any clarification required with respect to this Policy, kindly contact the Company Secretary of the Company.

The Policy is available on the website of the Company and a web link thereto shall be provided in the Company's Annual Report.
