



POLICY FOR RELATED PARTY TRANSACTIONS

Preamble

The Board of Directors (the “**Board**”) of DIC India Limited (the “**Company**”) has adopted this Related Party Transaction Policy (the “**Policy**”) in the Board meeting held on May 08, 2025 and the said Policy includes the key aspects of the statutory provisions including materiality threshold and the manner of dealing with Related Party Transactions (“**RPT**”) in compliance with the requirements of Section 188 of the Companies Act, 2013 read with Rules made thereunder (“**CA 2013**”) and Regulation 23 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“**SEBI LODR**”).

Objective

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties (“**RP**”) in compliance with the applicable laws and regulations as may be applicable, and amendments from time to time. The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of RPT(s) in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

Definitions

I. Unless otherwise stated, the following words used in the Policy have meaning as ascribed herein below:

“**Arm’s length**” basis means a transaction between two RPs that is conducted as if they were unrelated, so that there is no conflict of interest. For determination of arm’s length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

“**Audit Committee**” means the Audit Committee of the Board constituted from time to time as per the provisions of Section 177 of the CA 2013 and SEBI LODR.

“**Board**” means the Board of Directors of DIC India Limited, as defined under the CA 2013.

“**Master Circular**” shall mean the master circular dated November 11, 2024 notified by SEBI for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities, as consolidated and updated from time to time.

“**Material Related Party Transaction or Material RPT**” means a transaction with a RP if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1000 crore or ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.



A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Material Modifications” means a significant change/modification in any of the related party transaction(s) already approved by Audit Committee, as mentioned below:

- i. Increase/decrease equivalent to 10% or more of the value of original contract/transaction/omnibus approval provided the value does not exceed Rs. 1 Crore per transaction per year
- ii. Any modification resulting in a transaction not meeting the arm's length principle; and
- iii. Any change in the terms and conditions of the Contract having a financial effect of 10% or more of the original contract/transaction/omnibus approval.

“Ordinary course of business” means transactions entered in the normal course of the business pursuant to or for promoting or in furtherance of the company's business objectives, as per the Memorandum of Association of the Company and practices in the industry in which the Company operates.

“Related Party or RP” means a related party as defined under sub-section (76) of Section 2 of the CA 2013 and/or under the applicable accounting standards:

Provided that:

- i. any person or entity forming a part of the promoter or promoter group of the listed entity; or
- ii. any person or any entity, holding equity shares of 10% (Ten per cent) or more; 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; will be deemed to be a related party.

“Related Party Transaction or RPT” as defined under the SEBI LODR 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;

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 will not be a related party transaction:

- i. 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;



- ii. the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - payment of dividend;
 - subdivision or consolidation of securities;
 - issuance of securities by way of a rights issue or a bonus issue; and
- iv. buy-back of securities .
- iii. 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;
- iv. 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 (iii) and (iv) above, acceptance of deposits includes payment of interest thereon.

- v. 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.

Related party transactions as per Section 188 of the CA 2013 means any transaction between a Company and its related party relating to:

- Sale, purchase or supply of any goods or materials;
- Selling or otherwise disposing of, or buying property of any kind;
- Leasing of property of any kind; d. Availing or rendering of any services;
- Appointment of any agent for the purchase or sale of goods, materials, services or property;
- Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
- Underwriting the subscription of any securities or derivatives thereof, of the Company.

“**Relative**” means a relative as defined under the CA 2013 and includes anyone who is related in any of the following manner –

- i. Members of a Hindu undivided family;
- ii. Husband or wife;
- iii. Father (including step-father);
- iv. Mother (including step-mother);
- v. Son (including step-son);
- vi. Son's wife; g. Daughter;
- vii. Daughter's husband;
- viii. Brother (including step-brother); or
- ix. Sister (including step-sister)

II. Terms used in this Policy but not defined herein shall have the same meaning as provided under CA, 2013 and/or SEBI LODR



III. SEBI LODR here includes all notifications, circulars, clarifications as may be issued by SEBI in relation with SEBI LODR

Applicability of the Policy

This Policy shall be applicable on all related party transaction categorized as:

- i. Material RPT;
- ii. Other RPTs not considered as material

Identification of RP

Every Director and Key Managerial Personnel (“KMP”) is responsible for providing disclosure to the Company, regarding persons and entities to be considered as RP by virtue of his /her being a Director/KMP in the entity or holding certain shareholding. Such notice will be provided to the Company at the time of appointment of such person as Director or KMP and at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

The Company Secretary shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of –

- i. All Directors and Key Managerial Personnel;
- ii. All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
- iii. Company’s holding company, subsidiary companies and associate companies;
- iv. Subsidiaries of holding company;
- v. Director (other than Independent director) and Key Managerial Personnel of the holding company and their Relatives; and
- vi. Any other entity which is a Related Party as defined under Section 2(76) of the C 2013, SEBI LODR and the relevant Accounting Standards.

The database will be updated at all times will be reviewed by the Audit Committee/ Chief Financial Officer at least once a year.

Every Director, Key Managerial Personnel, Functional / Business heads / Chief Financial Officer will be responsible for providing prior notice to the Company Secretary/Compliance Officer of any potential RPT. They will also be responsible for providing additional information about the transaction that the Board / Audit Committee may request, for being placed before the Audit Committee and the Board.

The Company Secretary/ Compliance Officer, in accordance with the criteria laid down in CA 2013 and SEBI LODR, will determine whether the transaction entered into by the Company constitute RPT(s) requiring compliance with statutory provisions and this Policy and provide the same to the Audit Committee for their consideration and approval.

Review and Approval of Related Party Transaction

All RPTs and any subsequent Material Modification thereto will be subject to the prior approval of the Audit Committee whether at a meeting or through electronic mode, subject to compliance with all applicable provisions. A member of the Audit Committee who (if) has a potential interest in any RPT



abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such RPT is considered. Non Independent Directors in the Audit Committee may participate in the discussions, however, only Independent Directors of the Audit Committee can approve the RPT.

Remuneration and sitting fees paid by the Company to its director, KMPs or senior management, except who is part of promoter or promoter group, shall not require approval of the Audit Committee provided that the same is not Material RPT.

The Company Secretary/Compliance Officer in consultation with the Chief Finance Officer may refer any potential RPT to any external legal/transfer pricing expert and the outcome or opinion of such exercise will be brought to the notice of the Audit Committee. Based on this notice, the Company Secretary/Compliance Officer will obtain necessary approvals under this Policy.

Wherever required, Chief Financial Officer may take the valuation report for any proposed RPT and may present it before the Audit Committee.

The steps to be followed by company for entering into a Related Party Transaction will include the following:

- i. Identify the RP and/or its category
- ii. identify the transactions with RPs
- iii. determine whether the transaction is in the ordinary course of business operations or otherwise;
- iv. review the commercial terms involved in the transaction and analyse whether the transaction is at 'arm's length' as if the party is unrelated;
- v. consider the value of the transaction to determine if it is a Material RPT or Material Modification or transactions that exceeds the limit as mentioned under para (b) of the section "Applicability of the Policy";
- vi. determine the approval requirements applicable to the transaction in accordance with this Policy;
- vii. prepare and maintain relevant documentation supporting the basis of its assessment;
- viii. present the required details to the Audit Committee, Board or Shareholders for approvals as required; and execute the transaction once the approvals are obtained
- ix. The members of the Audit Committee, who are independent directors, may ratify RPTs 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:
 - the value of the ratified transaction(s) with a RP, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
 - the transaction is not material;
 - rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
 - the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
 - 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 RP to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

- x. In case of omnibus approvals, where the need for related party transaction cannot be foreseen and the details as required under regulation 23(3)(c) of SEBI LODR are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- xi. The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by DIC pursuant to each of the omnibus approvals given.
- xii. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Consideration by the Committee in Approving the Proposed Transactions

While considering any transaction, the Audit Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

Prior to the approval, the Audit Committee shall, *inter-alia*, consider the following factors to the extent relevant to the transaction:

- i. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- ii. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- iii. Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Related Party Transaction;
- iv. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Audit Committee deems relevant.

While considering the arm's length nature of the transaction, the Audit Committee will take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Audit Committee will take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

Such information as prescribed under the CA, 2013, SEBI LODR and rules & regulations made there under, as amended from time to time, to be placed before the Audit Committee for its review and approval of RPT.



Approval by the Board

If the Audit Committee determines that a RPT should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law i.e. all the RPTs which are either not in the ordinary course of business or not at arm's length basis, the Board will be required to approve these transactions at a meeting and the considerations set forth above shall apply with such modification as may be necessary or appropriate under the circumstances.

Also, all the Material RPTs as per the CA 2013 and SEBI (LODR), Regulations, 2015 will be approved by the Board of the Company. Any member of the Board who is a related party to any transaction, shall not vote to approve the concerned transaction.

Approval of Material Related Party Transactions

All Material RPTs and any subsequent Material Modification thereto shall require approval of the shareholders through requisite resolution and the RPs (*whether or not the party to the transaction*) shall not vote to approve such resolution.

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the CA 2013, also require the details as required under the SEBI LODR, Master Circular and other circulars made thereto, as amended from time to time.

Disclosure and Reporting of Related Party Transactions

Every RPT entered into by the Company shall be referred to in the Board's report to the shareholders along with justification for entering into such RPT. The Company Secretary and the Chief Financial Officer shall be responsible for such disclosure. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the CA 2013.

With effect from 01 April 2023, disclosures of Related Party Transactions on a half yearly basis shall be submitted to the Stock Exchange on the date of publication of its standalone and consolidated financial results.

Provided further that the remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under provided that the same is not material.

Review and Amendment

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise. The Board shall review this policy at least once every three years and update accordingly.

The compliance of this Policy shall be the responsibility of Compliance Officer.

Scope Limitation

In the event of any conflict between the provisions of this Policy and of the SEBI LODR / CA, 2013 or any other statutory enactments, rules, the provisions of SEBI LODR / CA 2013 or statutory enactments shall prevail over this Policy.

Change in Law

Any change, amendment, or introduction of applicable laws, rules, regulations, or directives by any regulatory authority shall be deemed to be automatically incorporated into this Policy and shall take effect from the date such change comes into force, without the need for any formal amendment to this Policy. The Company shall take necessary steps to ensure compliance accordingly.



Dissemination of Policy

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on the website of the Company and web link thereto shall be provided in the annual report of the Company. The Policy will also be available for the stakeholders at the official website of the Company.
