



## POLICY FOR RELATED PARTY TRANSACTIONS

### Preamble

The Board of Directors (the “**Board**”) of DIC India Limited (the “**Company**”) in the meeting held on February 24, 2026, has adopted this Related Party Transaction Policy (the “**Policy**”) 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 177 and Section 188 of the Companies Act, 2013 read with Rules made thereunder (“**CA 2013**”) and Regulation 23 and other applicable Regulations and/or master circulars of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”) as amended from time to time.

### 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.

“**Industrial Standard**” shall mean the Industry Standards on “*Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)*” as formulated by Federation of Indian Chambers of Commerce and Industry (FICCI), Associated Chambers of Commerce & Industry of India (ASSOCHAM) and the Confederation of Indian Industry (CII) under the aegis of stock exchanges and in consultation with SEBI vide SEBI Circular numbered SEBI Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025. Industrial Standard shall also include any amendments thereof notified by SEBI from time to time and any FAQs published by SEBI/stock exchanges in this regard

“**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. Master Circular shall also include any amendment thereof from time to time including any FAQs published by SEBI/stock exchanges in this regard.



“**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 the thresholds as specified below:

<b>Consolidated Turnover of Listed Entity</b>	<b>Threshold</b>
Upto INR 20,000/- Crore	10% of the annual consolidated turnover of the Company
More than INR 20,000/- Crore to upto INR 40,000/- Crore	INR 2,000/- Crore + 5% of the annual consolidated turnover of the listed entity above INR 20,000/- Crore
More than INR 40,000/- Crore	INR 3,000/- Crore + 2.5% of the annual consolidated turnover of the listed entity above INR 40,000 Crore or INR 5,000/- Crores, 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 INR 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 or under the applicable accounting standards:

Provided that:

- a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- b) 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:

- 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 which are uniformly applicable/offered to all shareholders in proportion to their shareholding: i. payment of dividend; ii. subdivision 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

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

- a. Sale, purchase or supply of any goods or materials;
- b. Selling or otherwise disposing of, or buying property of any kind;
- c. Leasing of property of any kind; d. Availing or rendering of any services;
- e. Appointment of any agent for the purchase or sale of goods, materials, services or property;
- f. Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
- g. 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 –

- a. Members of a Hindu undivided family;
- b. Husband or wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son's wife;
- g. Daughter;
- h. Daughter's husband;
- i. Brother (including step-brother); or
- j. 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 and/or Industrial Standard and/or Master Circular

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

IV. Since, Company do not prepare its financial statements on consolidated basis, the term consolidated financial statements shall have the same as standalone financial statements for the purpose of this Policy.



### **Applicability of the Policy**

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

- a. Material RPT;
- b. Transaction(s) with a related party, where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, are :
  1. Below INR 1 Crore during a financial year (including approval by ratification); or
  2. Upto 1% of the annual consolidated turnover or INR 10 Crore, whichever is lower (including approval by ratification); or
  3. Transactions exceeding the limit specified in points b(1) and b(2) above including approval by ratification.
- c. All other RPTs not covered under point (a) and (b) above.

### **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, 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 –

- All Directors and Key Managerial Personnel;
- All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
- Company’s holding company, subsidiary companies and associate companies;
- Subsidiaries of holding company;
- Director (other than Independent director) and Key Managerial Personnel of the holding company and their Relatives; and
- Any other entity which is a Related Party as defined under Section 2(76) of the CA 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 and/or Chief Financial 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:

- Identify the RP and/or its category;
- identify the transactions with RPs;
- determine whether the transaction is in the ordinary course of business operations or otherwise;
- review the commercial terms involved in the transaction and analyse whether the transaction is at 'arm's length' as if the party is unrelated;
- consider the value of the transaction basis the criteria provided under the section "Applicability of the Policy";
- determine the minimum information to be placed for approval requirements applicable to the transaction in accordance with this Policy;
- prepare and maintain relevant documentation supporting the basis of its assessment;
- Obtain certificate from the CEO/Managing Director and CFO to the effect that the RPTs to be entered into are in the interest of the Company;
- present the required details to the Audit Committee, Board or Shareholders for approvals as required; and execute the transaction once the approvals are obtained;
- The Audit Committee may, at its discretion, comment on information provided by the management. Such comments and the rationale for not approving a RPT shall be recorded in the minutes of the meeting of the Audit Committee;
- 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 nature of transaction per related party.



- 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:
  - (i) 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;
  - (ii) the transaction is not material;
  - (iii) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
  - (iv) 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;
  - (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 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.
- 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.
- Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

**Standard of Providing information to Audit Committee**

The information to be provided to Audit Committee and/or shareholders, for approval of RPTs should adhere to the Industry Standard and/or Master Circular, basis the applicable threshold limit, considering below points:

- Subject to the applicable threshold as specified in section “Applicability of the Policy”, the information to be provided should be included in the agenda of the Audit Committee/shareholders’ (wherever applicable):

Threshold of the transaction	Minimum information criteria to be placed before the Committee/Shareholders
Non-Material RPT to be placed before Audit Committee and/or Board, if required	
Upto INR 1 Crore	As provided under SEBI LODR and the Companies Act, 2013
Upto 1% of the annual consolidated turnover or INR 10 Crore, whichever is lower (including approval by ratification); or	As per point above + information as specified in Master Circular and in circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 October 13, 2025
Transactions exceeding the limit specified in points b(1) and b(2) above including approval by ratification.	Information as per Industrial Standard



Material RPT require shareholders' approval	
Upto INR 1 Crore	As per SEBI LODR and the Companies Act, 2013
Upto 1% of the annual consolidated turnover or INR 10 Crore, whichever is lower (including approval by ratification); or	As per point above + information as specified in Master Circular in circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 October 13, 2025
Transactions exceeding the limit specified in points b(1) and b(2) above including approval by ratification.	Information as per Industrial Standard plus as per the Companies Act, 2013

The management of the Company to provide comments against each line item which is applicable and where it is sought. To indicate "NA"/ "NIL" for not applicable and for where no comments are provided, respectively. In other words, none of the line item should be left blank and it should include either the comment/NA/NIL, as may be applicable.

For quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of the SEBI LODR, the requirement of placing minimum information shall not be applicable.

- Copy of the valuation or other report of external party, if any, shall be placed before the Audit Committee.
- Audited Financial Statements of the RPs to be placed before the Audit Committee. However, in case of transaction(s) with the fellow subsidiaries, the holding company which consolidates the financial statements of its subsidiaries may provide duly certified summary of financial information as required to be placed before the Audit Committee or shareholders under the RPT Industry Standards for all such subsidiaries (or the fellow subsidiaries) with a caveat that these particulars are provided based on the information obtained for preparation of consolidated financial statements of the listed entity.
- In the case of the payment of royalty, management fees, service fees, etc., if any, shall be explicitly bifurcated and disclosed.
- Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any relevant Industry Peer pays royalties for the same purpose, which is disclosed in its audited annual financial statements for the relevant period, basis the:
  - Royalty payment over past three years;
  - Royalty paid as a % of net profits over the last 3 years;
  - Annual growth rate of Turnover over last 3 year INR

Explanation: In the case of the payment of, the criteria for comparison with Industry Peers shall be as follows:

- The Listed Entity will compare the royalty payment with a minimum of three suitable and relevant Industry Peers (i.e. apple to apple comparable Industry Peers), where feasible.
- In cases where fewer than three Industry Peers are available, the listed entity will disclose, that only one or two peers are available for comparison.



- If the listed entity is part of any sectoral index, the listed entity is to consider the other constituents of such sectoral index for the purpose of peer comparison which are in similar line of business.
- In case there are no Industry Peers, the Listed Entity shall state that no Industry Peers are available for comparison.

In case, royalties paid by relevant Industry Peers for the same purpose, are not disclosed in their audited annual financial statements for the relevant period of such Industry Peers, same may be informed to the Audit Committee.

- Whether the Company is obtaining products from its related parties due to non-availability of products outside, it should be specifically mentioned in the details to be given to audit Committee.
- In case a listed company does not conduct any bidding to choose a party for sale/purchase/supply of goods or services, in such a case the listed entity can state that no “bidding or other process” was conducted for this purpose.

### **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 matter.

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

- 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;
- The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- 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;
- 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.

The Audit Committee will review, on an annual basis, the status of long-term (more than one year) or recurring Related Party Transactions.



### **Information to be placed as per Industry Standard and/or Master Circular**

Information as prescribed under the Companies Act, 2013 and/or SEBI LODR and/or Master Circular and/or Industry Standard and/or in circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 October 13, 2025, to be placed before the Audit Committee and/or shareholders considering the threshold limit.

### **Omnibus Approval by the Audit Committee**

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant omnibus approval. While granting omnibus approval, the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. Criteria for granting omnibus approval is as follows:

<b>Criteria</b>	<b>Details</b>
<b>Type of Transactions Covered</b>	Repetitive/ongoing RPTs in the ordinary course and at arm's length
<b>Details to be placed before Audit Committee</b>	<ul style="list-style-type: none"> <li>• Related party name(s) and relationship</li> <li>• Nature of Transaction</li> <li>• Maximum amount</li> <li>• Time Period</li> <li>• Indicative Base price/current contracted price and the formula for variation, if any</li> <li>• Pricing Mechanism</li> <li>• Such other information as mandated the Ministry of Corporate Affairs and Securities and Exchange Board of India, from time to time</li> </ul>
<b>Unforeseen Transaction Cap</b>	≤ ₹1 crore per separate transaction
<b>Conditions</b>	Any additional criteria deemed fit by Committee
<b>Review Mechanism</b>	Quarterly review reporting on actual execution
<b>Validity</b>	Expires end of financial year; renewal required yearly

### **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 Directors 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 CA2013 and Industry Standard, include the following information as a part of the explanatory statement:

- Summary of information provided to the Audit Committee;



- Justification for why the proposed transaction is in the interest of the listed entity;
- Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company, the details provided to Audit Committee w.r.t. this item;
- Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed Related Party Transaction, on a voluntary basis; and
- Any other information that may be relevant.

#### **Validity of Shareholders Approval:**

- **In case of Omnibus Approval:**

The validity of omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013.

In case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

- **In case of other than Omnibus Approval:**

As per the terms and conditions as approved by the shareholders of the Company for such related party transaction(s).

#### **Disclosure and Reporting of Related Party Transactions**

Every RPT, as applicable, 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.

**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.

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