

DCM LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. Preamble

The Board of Directors of DCM LIMITED has adopted the following policy and procedures with regard to Related Party Transactions.

This Policy on the Related Party Transactions (the “Policy”) of the Company sets forth the procedures to be followed for approval/ratification of Related Party Transactions in compliance with applicable laws and regulations.

This Policy is framed as per the requirement of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and requires the Company to formulate a policy on materiality of Related Party Transactions and dealing with Related Party Transactions.

2. Definitions:

The terms included in this Policy shall have the same meaning as defined under the Companies Act, 2013 read with Listing Regulations and/or other related laws, as amended and applicable from time to time.

- (a) “Audit Committee” means audit committee of Board of the Company constituted under the provisions of Listing Regulations and Companies Act, 2013.
- (b) “Arm’s Length Basis” means transaction between two related parties that is conducted as if the parties were unrelated.
- (c) “Board” means Board of Directors of the Company appointed in accordance with the terms of the Companies Act, 2013 read with Listing Regulations.
- (d) “Company” means DCM Limited.
- (e) “Key Managerial Personnel” means any key managerial personnel as defined under sub section 51 of Section 2 of the Companies Act, 2013.
- (f) “Ordinary Course of business” means the transactions undertaken in the normal course of business of the Company as permitted by law / regulations or as part of customary business practices or by its long standing conduct.
- (g) “Related Party” means an entity which shall be considered as related to the company if:
 - (1) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
 - (2) such entity is a related party under the applicable accounting standards.

- (j) “Related Party Transactions” (RPTs) means a transaction/ contract/ arrangement, between the Company and its Related Party(ies), which falls under Section 188 of the Act or under clause (zc) of Regulation 2(1) of the Listing Regulations.

3. Review and Approval of Related Party Transactions (RPT)

(a) By the Audit Committee:

- i) Subject to the provisions of this Clause 3, all Related Party Transactions/RPTs (one time or ongoing) shall be put up before the Audit Committee for its consideration and approval. Such approval of Audit Committee may be obtained by way of circular resolution or at a duly convened meeting of the Audit committee.
- ii) The Audit Committee may also provide an omnibus approval to such Related Party Transactions/RPTs, which are repetitive in nature, on such terms and conditions as it may deem fit. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:- i. repetitiveness of the transactions (in past or in future); ii. justification for the need of omnibus approval. The omnibus approval where granted shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of one financial year. Where the need for the RPT cannot be foreseen and/or details as deemed necessary by the Audit Committee in accordance with the Listing Regulations are not available, the Audit Committee may grant omnibus approval for such transaction subject to their value not exceeding Rs 1 crore per transaction.
- iii) The details of RPT for which the Audit Committee give the omnibus approvals, shall be quarterly placed before the committee, for its review.

(b) By the Board of Directors and/or Shareholders (as per applicable laws):

The following RPT will require approval of the Board of Directors and/or the Shareholders, in accordance with the applicable laws:

- i) Not in the ordinary course of business but at arm’s length.
- ii) In the ordinary course of business but not at arm’s length.
- iii) Not in the ordinary course of business and not at arm’s length basis.
- iv) Material RPT’s i.e. transactions exceeding 10% of annual consolidated turnover as per the last audited accounts - whether in the ordinary course of business or at arm’s length or not unless exempted under Listing Regulations.

As per the Listing Regulations, the provisions of above clause (a)(i), Clause a (ii), and clause b(iv) are not applicable on the transactions between RPT entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval general meeting for approval.

4. Related Party Transactions Not Approved Under this Policy

A related party transaction entered into without approval of the Audit Committee shall be brought to the Audit Committee as promptly as reasonably practical after it is entered into.

5. Amendments

The Chairman of the Board of the Company is authorized to amend or modify this Policy on the recommendations of the Audit Committee. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

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