

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, so that there is no conflict of interest.
- (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) "Material Related Party Transaction" means a transaction with a Related Party which is material in accordance with the thresholds as prescribed in the Listing Regulations.
- (g) "Ordinary Course of business" means the transactions undertaken in the normal course of business of the listed entity as permitted by law / regulations or as part of customary business practices or by its long standing conduct.
- (h) "Related Party" means an entity which shall be considered as related to the listed entity 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.

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:
 - (i) of twenty per cent (20%) or more; or
 - (ii) of ten per cent (10%) or more, with effect from April 1, 2023;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;

shall be deemed to be a related party.

(i) "Related Party Transactions" (RPTs) means a transaction/ contract/ arrangement, between the listed entity 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.

(j) "Unforeseen Related Party Transaction" means a Related Party Transaction, where the need for such transaction cannot be foreseen, the details whereof necessary for seeking an omnibus approval of the Audit Committee are not available and the value of such transaction does not exceed Rupees one crore per transaction.

3. Determination of Material Related Party Transactions

The listed entity has fixed the materiality threshold as defined in Clause 2(f) of this Policy.

4. Approval of Related Party Transactions and subsequent modifications

- (i) The Audit Committee defines "material modifications" as any change of 20% or more in the amount of any already approved Related Party Transaction.
- (ii) All Related Party Transactions and any material modifications shall require the prior approval of the members of the audit committee of the listed entity in the prescribed format to the extent applicable.
- (iii) All other modifications to an approved related party transaction shall also be approved by the Audit Committee.
- (iv) Only those members of the audit committee who are independent directors shall approve the Related Party Transactions.
- (v) The Audit Committee shall also approve Related Party Transactions, where the listed entity is not a party, but the listed entity's subsidiary is a party, if the value of the proposed transaction(s) exceeds the thresholds as prescribed under the Listing

Regulations.

- (vi) Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel 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 as prescribed under the listing regulations.
- (vii) The Audit Committee shall determine whether the Transactions are on Arms' Length Basis and in Ordinary Course of Business, while providing its approval.
- (viii) If the Audit Committee determines that the Transactions are not on Arms' Length Basis and not in Ordinary Course of Business, or are "Material", or in any case requires the Board' approval, then if it deem appropriate, may recommend such transactions to the Board for its approval.

Further, if the Board determines that such transactions are "Material", as per the criteria mentioned above, then it may recommend such transactions to the Shareholders of the listed entity for their approval.

- (ix) All Material related party transactions and subsequent Material Modifications of such Material related party transactions shall require prior approval of the shareholders through resolution. The shareholders will be provided the prescribed information along with the draft resolution for their consideration. No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- (x) The members of the audit committee, who are independent directors, may ratify related party transactions 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 related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
 - (ii) the transaction is not material as defined in this policy;
 - (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 as required under listing regulations;
 - (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 related party to any director, or is authorised by any other director, the director(s)

concerned shall indemnify the listed entity against any loss incurred by it.

- (xi) The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature, subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations or any other applicable provisions and such other conditions as it may consider necessary in line with this Policy and in the interest of the listed entity. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- (xii) The Audit Committee may also grant omnibus approval for Unforeseen Related Party Transactions in the manner specified under the Listing Regulations.
- (xiii) Person/Department originating the Related Party Transaction shall ensure the compliance and will record/ store reasons/information to justify that the transaction is on Arm's Length Basis.

5. Deemed approval

Transactions or arrangements which are specifically dealt in terms of specific provision(s) of the applicable laws and executed under separate procedures/ approvals mechanism shall not be required to be approved under this Policy, including but not limited to the following:

- (a) Appointment & payment of remuneration (including any variation thereof) of Key Managerial Personnel pursuant to approval of HR & Nomination Committee and the Board of Directors.
- (b) Payment of remuneration, fee, commission etc. to any Director of the listed entity, pursuant to approval of HR & Nomination Committee/Board of Directors/Shareholders (as applicable).
- (c) Shares based incentive plans for the benefits of Directors or KMPs approved by the Shareholders including ESOPs.
- (d) CSR Contribution & other charitable contribution as approved by CSR Committee.
- (e) Corporate actions which are uniformly applicable to everyone including related parties.
- (f) Corporate Restructuring such as merger, demergers, capital reductions etc.
- (g) Transactions or arrangements exempted under the Act and/or Listing Regulations.

6. Disclosure

The listed entity shall submit and disclose to the stock exchange the Related Party Transactions in the Company's applicable filings as required by the Companies Act,

2013 and Listing Regulations and the said Policy shall be disclosed on listed entity's Website and in the Annual Report as prescribed.

7. **Amendments**

The Chairman of the Board of the listed entity 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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