

DCM NOUVELLE LIMITED
CIN: L17309DL2016PLC307204
Regd Off: 407, Vikrant Tower,04, Rajendra place,
New Delhi-110008

POLICY ON RELATED PARTY TRANSACTIONS

Table of Contents

Sl. No	Particulars	Page No
1.	Introduction	3
2.	Definition	3
3.	Identification of Related Parties and potential Related Party Transaction	5
4.	Review and approval of Related Party Transaction-Approval of the Audit Committee	6
5.	Approval of the Board of Directors	8
6.	Approval of the Board of Directors	9
7.	Disclosure Requirement	11
8.	Related Party Transaction not approved under this policy	11
9.	Review & Amendments of the Policy	12

1. Introduction

As per Regulation 23(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) every listed company is required to formulate a policy on materiality of related party transactions and on dealing with related party transactions. In pursuance of the above, the Board of directors (the “**Board**”) of **DCM Nouvelle Limited** (the “**Company**” or “**DCMN**”), has adopted this policy on related party transactions (“**Policy**”).

This Policy intends to ensure compliance by the Company with applicable provisions of the Companies Act, 2013 and the rules and regulations framed thereunder (“**Act**”) and the Listing Regulations with respect to its transactions with related parties.

2. Definitions

- (i) “**Act**” means the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force.
- (ii) “**Applicable Law(s)**” includes (a) the Act and the rules made thereunder; (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.
- (iii) “**Audit Committee**” or “**Committee**” means committee of the Board of Directors of the Company constituted in accordance with Regulation 17 of the Listing Regulations and Section 177 of the Companies Act.
- (iv) “**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.
- (v) “**Associate Company**” means associate company as defined under Section 2(6) of the Companies Act and Regulation 2 (1) (b) of the Listing Regulations, as the case may be.
- (vi) “**Board**” or “**Board of Directors**” means the board of directors of the Company.

- (vii) **“Key Managerial Personnel”** has the meaning ascribed to the term under Section 2 (51) of the Companies Act.
- (viii) **“Material Related Party Transaction”** means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. In case of transaction involving payment to a related party for brand usage or royalty, it will be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- (ix) **“Material modification (s)”**: means and include any modification to an existing RPTs, in aggregate with a related party, having variance of 25% in value of the transaction already approved by the Audit Committee or Board or Shareholders, as the case may be, or such modification as may be decided by the Audit Committee.
- (x) **“Ordinary course of business”**: means the normal business transactions, as per customs, practices and policies, undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.
- (xi) **“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Act 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:
- (i) of twenty per cent or more; or
- (ii) of ten per cent 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 Act, at any time, during the immediate preceding financial year; shall be deemed to be a related party:”

- (xii) **“Related Party Transaction”** shall have the same meaning as specified under the Act and Rules made thereunder and Regulation 2(1)(zc) of the SEBI LODR, as amended and shall mean a transaction involving a transfer of resources, services or obligations between:
- a. the Company or any of its subsidiaries on the one hand and a related party of the Company or any of its subsidiaries on the other hand;
 - b. the Company 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 Company or any of its subsidiaries with effect from April 1, 2023, 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.

Following shall not be considered RPTs of the Company in terms of SEBI LODR:

- 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) payment of dividend by the Company;
 - c) subdivision or consolidation of securities by the Company;
 - d) issuance of securities by way of a rights issue or a bonus issue and
 - e) buy-back of securities.
- (xiii) **“SEBI LODR”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3. Identification of Related Parties and potential Related Party Transactions

- 3.1 Before the start of each financial year, the Company shall draw up a list of Related Parties. Any changes in the list during the financial year shall be made as and when the Company receives information in this regard from its Board of Directors and Key Managerial Personnel. For this

purpose, the Company shall devise an appropriate procedural mechanism.

3.2 The Audit Committee, in consultation with the Company Secretary or Chief Financial Officer, will review and determine whether any transaction with a Related Party will, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

3.3 Any member of the Audit Committee or Board who is directly or indirectly interested in any Related Party Transaction shall recuse himself and abstain from participating in the discussion and voting for such item under consideration by the Audit Committee or the Board, as the case may be.

4. **Review and approval of Related Party Transactions**

A. **Approval of the Audit Committee**

4.1 All Related Party Transactions, shall require prior approval of the Audit Committee in accordance with this Policy. However, the Audit Committee may grant omnibus approval for Related Party Transactions, subject to compliances with the following conditions:

(a) The Audit Committee shall, after obtaining approval of the Board, specify the criteria for granting the omnibus approval in line with this Policy which shall include the following namely:

- (i) maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
- (ii) the maximum value per transaction which can be allowed;
- (iii) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- (iv) review, at such intervals as the Audit Committee may deem fit, of Related Party Transactions entered into by the Company pursuant to each omnibus approval made;
- (v) transactions which cannot be subject to the omnibus approval by the Audit Committee.

(b) 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); and
- (ii) justification for the need of omnibus approval.

(c) For the purposes of granting such omnibus approvals, the Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.

(d) The omnibus approval shall provide details of (i) the name/s of the Related Party(ies), (ii) nature and duration of transaction; (iii) maximum amount of transaction that can be entered into; (iv) indicative base price or current contracted price and the formula for variation in the price, if any; (vi) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction, and (v) such other conditions as the Audit Committee may deem fit.

(e) Where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR 1,00,00,000 (Indian rupees one crore) per transaction.

(f) The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given.

(g) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.

(h) Any other conditions as the Audit Committee may deem fit.

4.2 Prior approval of the Audit Committee shall not be required for:

- a) RPTs, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI LODR are applicable to such listed subsidiary.

- b) RPTs of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the Audit Committee of the listed subsidiary is obtained.
- c) RPT or subsequent material modifications of RPT (other than those RPT stipulated under Section 188 of the Act) 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.
- d) RPT entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

B. Approval of the Board of Directors

4.3 The following Related Party Transactions which are not in the ordinary course of business of the Company or are in the ordinary course of business but are not Arm's Length Transactions shall require prior approval of the Board:

- (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 purchase or sale of goods, materials, services or property;
- (f) a Related Party's appointment to any office or place of profit in the Company, its subsidiary company or Associate Company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the Company.

4.4 In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which, as per the Policy determined by the Board from time to time (i.e., value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- Material RPTs and subsequent material modifications to such transactions, which are intended to be placed before the shareholders for approval.

4.5 Where any director is interested in any contract or arrangement with a related party, such director shall not participate during discussions and vote on the subject matter of the resolution related to such contract or arrangement.

5. **Approval of the shareholders of the Company**

5.1 All Material Related Party Transactions or any material modifications thereto; shall be placed before the shareholders for approval. For this purpose, all Related Parties shall abstain from voting irrespective of whether such Related Party is a party to the particular Related Party Transaction or not. However, the requirement of shareholders' approval shall not be applicable for transactions 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.

5.2 In addition to the above, all Related Party Transactions falling under the categories enlisted in paragraph 4.2 above which

(a) are not Arm's Length Transactions or not in the ordinary course of business; and

(b) exceed the thresholds laid down under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for their approval.

For such Related Party Transactions, any shareholder of the Company who/which is a Related Party in the context of the proposed Related Party Transaction shall abstain from voting. However, the requirement of shareholders' approval shall not be applicable for transactions 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.

5.3 The following information shall be provided to the shareholders while seeking their approval for RPTs:

i) A summary of the information provided by the management of the Company to the audit committee.

ii) Reasons/justification for why the proposed transaction is in the interest of the Company;

iii) Where the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the Company or its subsidiary, the details specified under:

i. details of the source of funds in connection with the proposed transaction;

ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances, or investments,

- nature of indebtedness;
- cost of funds; and
- tenure;

iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and

iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.

iv) A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;

v) Any other relevant information or such information as may be prescribed under SEBI LODR.

6. **Disclosure requirements**

6.1 **Disclosures under Companies Act:** The Company shall disclose in the Board's report to be laid before the Company in a general meeting in terms of Section 134(3) of the Companies Act, particulars of contracts or arrangements entered with Related Parties as prescribed in Section 188(2) of the Companies Act, along with the justification for entering into such contracts or arrangements.

6.2 **Disclosures under Listing Regulations:** The Company shall make related party disclosures in compliance with relevant accounting standards as specified in paragraph A of Schedule V of the Listing Regulations. The corporate governance section of the Company's annual report shall also disclose materially significant Related Party Transactions that may have potential conflict with the interests of the Company at large. Consolidated related party transaction to be disclosed to the Stock Exchanges within 30 days of the publication of half yearly financial results.

6.3 This Policy will be communicated to all concerned persons/employees of the Company.

6.4 The Company shall also maintain a register containing particulars of contracts or arrangements entered with a Related Party to which Section 188 of the Companies Act applies.

7. **Related Party Transactions not approved under this Policy**

7.1 In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the RPTs, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPTs to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

- 7.2 Further, in case any transaction (not being a specified transaction under the Act between the Company and its wholly owned subsidiary) involving any amount not exceeding ₹ 1 crore is entered into by a Director or Officer of the Company without obtaining the approval of the Audit Committee and which is not ratified by the Audit Committee within 3 months from the date of the transaction, such transaction will be 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 concerned shall indemnify the Company against any loss incurred by it.
- 7.3 In any case, where the Audit Committee determines not to ratify a RPT that has been commenced without approval, the Audit Committee, as may think appropriate, direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party, etc. In connection with any review/approval of a RPT, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.
- 7.4 Without prejudice to anything contained in Section 188(3) of the Act, it shall be open to the Company to proceed against a Director or any other employee who has entered into such contract or arrangement in contravention of the provisions of this section for recovery of any loss sustained by it as a result of such contract / arrangement.

8. **Review & Amendments of the Policy**

- 8.1 The Board may subject to applicable laws, amend any provisions(s) or substitute any of the provisions(s) with the new provision(s) or replace the RPT Policy entirely with a new policy. The RPT Policy is subject to review from time to time.
- 8.2 In the event of any conflict between the provisions of this RPT Policy and applicable laws, the provisions of such applicable laws shall prevail over this Policy.

The policy has been approved by the Board of Directors of the Company on May 15, 2019, and Further reviewed on December 20, 2022.

For DCM Nouvelle Limited

**Sd/-
Managing Director**