

DIL LIMITED

Related Party Transaction Policy

[Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I. Preamble:

Pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Rules framed there under and Regulation 23 of the newly Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be enacted or amended from time to time (Listing Regulations), the Company’s Board of Directors on the recommendation of the Audit Committee has adopted this revised policy on Related Party Transactions (in substitution of the existing Related Party Transactions Policy) (“RPT Policy” or “Policy”) for regulating and dealing with the Related Party Transaction(s). The Audit Committee and/or Board of Directors may review / amend this Policy from time to time.

II. Definitions:

“**Audit Committee or Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations.

“**Board of Directors**” or “**Board**”, means Board of Directors or Board (of the Company) as defined in Section 2(10) of the Act.

“**Company Secretary**” means a Company Secretary (of the Company) as defined in Section 2(24) of the Act.

“**Key Managerial Personnel**” / “**KMP**” shall mean key managerial personnel as defined in section 2(51) of the Act.

“**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Material Related Party Transaction(s)**” will have the same meaning as defined in Regulation 23 of the Listing Regulations.

“**Transaction(s)**” with a Related Party shall be construed to include a single transaction or a group of transactions in a contract.

“Related Party” / “Related Parties” will have the same meaning as defined under Section 2(76) of the Act and/or Regulation 2(1)(zb) of the Listing Regulations.

“Related Party Transaction(s)” means all transaction(s), contract(s) and arrangement(s) between the Company and Related Party/ies, as envisaged in Section 188(1) of the Act and/or Regulation 2(1)(zc) of the Listing Regulations.

“Relative” in relation to a related party shall have the same meaning assigned to in Section 2(77) of the Act read with Rule 4 of Companies (Specification of definitions details) Rules, 2014 and/or Regulation 2(1)(zd) of the Listing Regulations.

Other capitalised terms which are not defined in this Policy shall have the meaning as defined in the Regulations.

III. Purpose:

The purpose of this Policy is to authorize, monitor, regulate and report contracts, arrangements and transactions between the Company and a Related Party. This Policy lays down the process to be adopted by the Company for: (a) identification of potential Related Party/ies (b) materiality thresholds for RPT(s) (c) manner of dealing with the transactions between the Company and its Related Parties based on the applicable provisions of the Regulations.

IV. Applicability:

This Policy applies to all the RPTs of the Company including any contract / arrangement with any Related Party and any modifications, from time to time. This Policy is applicable effective from December 1, 2015.

V. Policy and procedure for review and approval of Related Party Transactions:

1. The RPT Policy may be reviewed and amended from time to time by the Audit Committee and the Board of Directors of the Company.

2. All RPT(s) and any subsequent modifications thereto, shall require the approval of the Audit Committee.
3. Subject to the applicable provisions of the Regulations, Accounting Standards and the following conditions, the Audit Committee and the Board may, from time to time, grant omnibus approvals to the Company to enter into RPT(s) with any Related Party provided that such RPT is repetitive in nature:
 - a. The Audit Committee shall satisfy itself about the requirement of the Company for such omnibus approval and that such approval is in the interest of the Company;
 - b. Such omnibus approval shall specify (i) the name/s of the Related Party/ies; (ii) nature of transaction, period of transaction, maximum amount of transaction that can be entered into; (iii) the indicative base price / current contracted price and the formula for variation in the price, if any; and (iv) such other conditions as the Audit Committee may deem fit.

Provided that in case where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.
 - c. Such omnibus approvals shall be valid for a period not exceeding twelve months and shall require fresh approvals after the expiry of said twelve months.
 - d. The details of RPT(s) entered into by the Company pursuant to such omnibus approval shall be reviewed by the Audit Committee, atleast on a quarterly basis.
4. The Audit Committee shall on quarterly basis review the material RPTs entered into by the Company during the relevant quarter.
5. In addition to the approval of the Audit Committee and the Board and subject to the applicable provisions of the Regulations, approval of the shareholders of the Company shall be required by way of resolution, in case of the following:

- (a) Any Material Related Party Transaction(s); or
- (b) Any contract / arrangement with Related Party, in case amount of such RPT(s) exceeds such sum / limits as mentioned in Section 188 of the Act read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 except in cases where the transaction(s) are entered into by the Company in its ordinary course of business other than transaction(s) which are not on an arm's length basis.
6. No Director on the Board or Key Managerial Personnel of the Company shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the Director / Key Managerial Personnel shall provide all material information concerning the Related Party Transaction and the nature of interest to the Audit Committee / Board.
7. Points to be considered by the Audit Committee / Board for approving Related Party Transactions:
- the name of the Related Party and nature of relationship;
 - the Related Party's interest in the transactions;
 - the nature, duration of the contract and particulars of the contract or arrangement;
 - the material terms of the contract or arrangement including the value, if any;
 - any advance paid or received for the contract or arrangement, if any;
 - the manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of the contract;
 - whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; the persons/authority approving the transaction;
 - whether the proposed RPT is in Ordinary Course of Business and an Arms' Length Transaction or not.
 - any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

VI. Disclosures

- (a) Identification of Potential Related Party/ies: Every Director on the Board / Key Managerial Personnel of the Company shall disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, within such time and in such manner as prescribed under Section 184 of the Companies Act, 2013 read with Rule 9 of Companies (Meetings of Board and its Powers) Rules, 2014 and under Regulation 4(2)(f) of the Listing Regulations. On an annual basis (every financial year), the Company Secretary shall request such disclosure from each Director on the Board and KMP of the Company, as may be required by the Regulations.
- (b) The Company is required to disclose Related Party Transactions, if any, in the Board's Report to shareholders of the Company, on an annual basis as per requirement of the applicable provisions of the Regulations and the applicable Accounting Standards.
- (c) Details of all Material Related Party Transactions, if any, shall be disclosed quarterly along with Company's Compliance Report on Corporate Governance, in accordance with the Listing Regulations.
- (d) The Company is also required to disclose this Policy on its website and web link thereto shall be provided in the Annual Report of the Company.
- (e) The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party, as required by the applicable provisions of the Act.
- (f) This Policy shall be communicated to the concerned functional heads including KMPs and other concerned officials of the Company.

VII. Criteria for determining Ordinary Course of Business and Arm's Length Transactions:

The following guidelines will be used to determine whether a transaction with Related Party is in ordinary course and on arm's length basis:

“Ordinary Course of Business”:

Ordinary Course of Business means a transaction which is:

- carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time; or
- a common commercial practice of the Company; or
- any other parameter/ criteria as may be decided by the Audit Committee / Board from time to time.

“Arm’s Length Transaction”:

“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.

In this regard, the following guidelines can be used by the Audit Committee for determining the Arm’s Length Transaction

- whether the transaction is commercially negotiated
- whether the terms of the transaction are fair and would apply on the same basis if the transaction did not involve a Related Party;
- whether the transaction would affect the independence of an independent director;
- whether the transaction would present an improper conflict of interest for any director or KMP, taking into account the size of the transaction, the overall financial position of the director/KMP or other Related Party, the direct or indirect nature of the director’s, KMP’s or other Related Party’s interest in the transaction and the ongoing nature of any proposed relationship.
- whether comparative quotes for similar transaction has been obtained.
- the Transfer Pricing guidelines issued by the relevant authorities under the provisions of Income-tax Act, 1961 may be used to determine the Arms’ Length Transaction on a case-to-case basis.
- any other matter(s), the Audit Committee considers relevant.

VIII. Violation of the Policy:

The Audit Committee of the Company, subject to supervision of the Board, shall be the competent authority for investigating and taking appropriate actions / steps for prevention or remedy of any breach and / or defaults in complying with this Policy. Any disciplinary action taken by the Audit Committee shall be in addition to the penal provisions of the Regulations.

For DIL LIMITED

**SANJAY BUCH
CHAIRMAN**