



**Dabur India Limited**

**Policy on Related Party  
Transactions**

*Dabur*  
*Celebrate Life!*



## 1. INTRODUCTION

The Board of Directors (the “Board”) of Dabur India Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions (including materiality of related party transactions and dealing with related party transactions) as defined below. The Audit Committee is to review and shall, from time to time, recommend amendments, if any, in this policy to the Board. Further, this policy shall also be reviewed by the Board of Directors at least once in every three years and updated accordingly.

This policy is applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company.

## 2. PURPOSE

This policy is primarily framed based, w.e.f. 02.09.2015, on Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter referred to as “Listing Regulations” and the provisions of Companies Act, 2013 (the “Act”) including Rules made there under, and are primarily intended to ensure the governance and reporting of transactions between the Company and its Related Parties.

Up to 01.09.2015, the policy is based on Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and the Act.

## 3. DEFINITIONS

“**Associate**” shall mean any entity which is an associate under sub-section (6) of section 2 of the Act.

Associate under sub-section (6) of section 2 of the Act, are following:

“**Associate company**” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation – For the purpose of this clause,

(a) the expression “significant influence” means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement.

(b) the expression “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company under the provisions of Listing Regulations and the Act, from time to time.

“**Board of Directors**” or “**Board**” means the Board of Directors of Dabur India Limited, as constituted from time to time.

“**Key Managerial Personnel**” (**KMP**) means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Act or under the applicable accounting standards.

Key Managerial Personnel as per sub-section (51) of section 2 of the Act.

“key managerial personnel”, in relation to a company, means -

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed;

#### Key Managerial Personnel as per Indian Accounting Standard (Ind AS) 24

**Key management personnel** are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

**“Material Related Party Transaction”** – A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Notwithstanding the above, 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 per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

**“Policy”** means this Policy on related party transactions (including materiality of related party transactions and dealing with related party transactions).

#### “Related Party” as per Listing Regulations:

“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;

of 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:”

#### Related Party` as per Section 2(76) of the Act:

“related party” with reference to a company, means-

- i) a director or his relative<sup>1</sup>;



- ii) a key managerial personnel or his relative<sup>1</sup>;
- iii) a firm, in which a director, manager, or his relative<sup>1</sup> is a partner;
- iv) a private company in which a director or manager or his relative<sup>1</sup> is a member or director;
- v) a public company in which a director or manager is a director and holds along with his relatives<sup>1</sup>, more than two percent of its paid-up share capital;
- vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- vii) any person on whose advice, directions or instructions a director or manager is accustomed to act;

**Provided** that nothing in sub clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

viii) any body corporate which is –

- (A) a holding, subsidiary or an associate of such company; or
- (B) a subsidiary of a holding company to which it is also a subsidiary;
- (C) an investing company or the venturer of the company.

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

ix) such other persons as may be prescribed;

*As per Rule 3 of Companies (Specification of definitions details) Rules, 2014-*

- a director, other than an independent director, or key managerial personnel of the holding company or his relative<sup>1</sup> with reference to a company, shall be deemed to be related party.

<sup>1</sup>Relative as per section 2(77) of the Act

“**Relative**”, with reference to any person, means anyone who is related to another, if –

- i. they are members of a Hindu Undivided Family;
- ii. they are husband and wife; or
- iii. one person is related to the other in such manner as may be prescribed;

*As per Rule 4 of Companies (Specification of definitions details) Rules, 2014-*

- A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:

- 1) Father:  
Provided that the term “Father” includes step-father.
- 2) Mother:  
Provided that the term “Mother” includes step-mother.
- 3) Son:  
Provided that the term “Son” includes step-son.
- 4) Son’s wife.
- 5) Daughter.
- 6) Daughter’s husband.

- 7) Brother:  
Provided that the term "Brother" includes step-brother.
- 8) Sister:  
Provided that the term "Sister" includes step-sister.

#### Related Party as per Indian Accounting Standard (Ind AS) 24

A *related party* is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

(a) A person\* or a close member of that person's family\*\* is related to a reporting entity if that person:

- (i) has control# or joint control# of the reporting entity;
- (ii) has significant influence# over the reporting entity; or
- (iii) is a member of the key management personnel\*\*\* of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

\* `person` shall mean individual (*Company interpretation*).

\*\* *Close members of the family of a person* are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

(a) that person's children, spouse or domestic partner, brother, sister, father and mother;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

\*\*\* *Key management personnel* are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

# The terms '*control*', '*joint control*' and '*significant influence*' are defined in Ind AS 110, Ind AS 111, *Joint Arrangements*, and Ind AS 28, *Investments in Associates and Joint Ventures*, respectively and are used in this Standard with the meanings specified in those Ind ASs.

**"Related Party Transaction"** 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) the 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 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. Provided that the following shall not be treated as 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 by the listed entity 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.

**"Related Party Transaction"** as per *Indian Accounting Standard (Ind AS) 24* is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

**"Related Party Transaction"** as per *the Act*, shall mean any contract or arrangement with a related party with respect to –

- sale, purchase or supply of any goods or materials;
- selling or otherwise disposing of, or buying, property of any kind;
- leasing of property of any kind;
- availing or rendering of any services;
- appointment of any agent for purchase or sale of goods, materials, services or property;
- such related party's appointment to any office or place of profit in the company, its subsidiary company or Associate company; and



- underwriting the subscription of any securities or derivatives thereof, of the company.

**“Material Modifications”** shall mean and include the following-

1. Any increase in aggregate amount up to which Audit Committee has given its Omnibus approval in respect of all related party transactions taken together;

2. For all type of Related Party Transactions

a) Any increase of 20% or more in value (where value is fixed), in the amount up to which the Audit Committee has given Omnibus approval in respect of each individual related party, within the overall aggregate maximum limit approved.

b) Any change in payment terms beyond 90 days of agreed terms or markup margin for deciding the price of product [other than (a) above] which shall have an impact of 20% or more increase from the terms already approved by Audit Committee.

It is clarified that any change in actual cost because of input cost changes shall not be considered as material modification in cases where pricing is based on cost + markup.

#### **Transactions `in ordinary course of business`**

With particular reference to the company - Dabur India Limited, following transactions in the context of business of the company have been identified as Transactions `in ordinary course of business` of the company. These are only examples and not an all inclusive list:

- Sale of Goods, Materials and Services;
- Purchase of Goods, Materials and Services;
- Payment of expenses of Joint Venture Company – Forum 1 Aviation Private Limited;
- Reimbursement of actual out of pocket expenses incurred from/to the Company to/ from the Related Party;
- Reimbursement of ESOP Expenses from subsidiaries;
- Payment of remuneration (including sitting fee and ESOP, if any) to Related Parties from the company or subsidiaries, where they are working in a whole time position or as a director.

**Transactions on an `Arm`s length basis`** shall mean and include-

- a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

## **4. POLICY**

### **4.1. Identification of Related Party by Dabur India Limited**

Each Director and Key Managerial Personnel (KMP) is responsible to notify to the Board regarding persons and entities to be considered as `Related Parties` by virtue of his/her being Director/ KMP in the company. Such Notice shall be issued to the company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

In addition to above, management is to identify other related parties based on control exercised by company on them and vice-versa within the meaning of the Act and applicable accounting standards.

#### **4.1A. Identification of Related Party of Subsidiary Company**

Each Director and Key Managerial Personnel (KMP) is responsible to notify to its respective Board of Directors (to the Board of Management in case there is no Board of Directors) regarding persons and entities to be considered as `Related Parties` by virtue of his/her being Director/ KMP in the subsidiary company. Such Notice shall be issued to the subsidiary company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

In addition to above, management of subsidiary Company is to identify other related parties based on control exercised by company on them and vice-versa within the meaning of Act and applicable accounting standards.

#### **4.2. Identification of Potential Related Party Transactions of Dabur India Limited**

On the basis of related parties identified in application of exercise referred to in 4.1. and 4.1A. above, the Management is to intimate Audit Committee or Board, as may be required, of any potential Related Party Transaction with any person or entity, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee is/are to determine whether the transaction genuinely constitutes a Related Party Transaction requiring compliance with this policy.

#### **4.2A. Identification of Potential Related Party Transactions of Subsidiary Company**

On the basis of related parties identified in application of exercise referred to in 4.1. and 4.1A above, the Management of respective Subsidiary Company is to intimate to the Management of Dabur India Limited (CFO), of any potential Related Party Transaction with any person or entity, including any additional information about the transaction that the Management of Dabur India Limited may reasonably request. Management of Dabur India Limited is/are to determine whether the transaction genuinely constitutes a Related Party Transaction requiring compliance with this policy.

#### **4.3. Review and Approval of Related Party Transactions**

All Related Party Transactions and subsequent material modifications, with respect to transactions where Dabur India Limited is a party, must be reported to the Audit Committee for its prior approval in accordance with this Policy. Further, all subsequent non-material modifications to a Related Party Transaction must also be reported to the Audit Committee for approval.

Related Party Transactions and subsequent material modifications, with respect to transactions where subsidiary Company is a party (and Dabur India Limited is not a party) must be reported to the Audit Committee for its prior approval, subject to certain threshold limit mentioned elsewhere in this Policy.

The Committee shall review the transactions and recommend the same for approval of the Board and shareholders, if required, in accordance with this policy.



The approval of Audit Committee, Board or Shareholders, as may be required under this Policy is to be taken prior to entering into the Related Party Transaction.

(A) Approval of Audit Committee

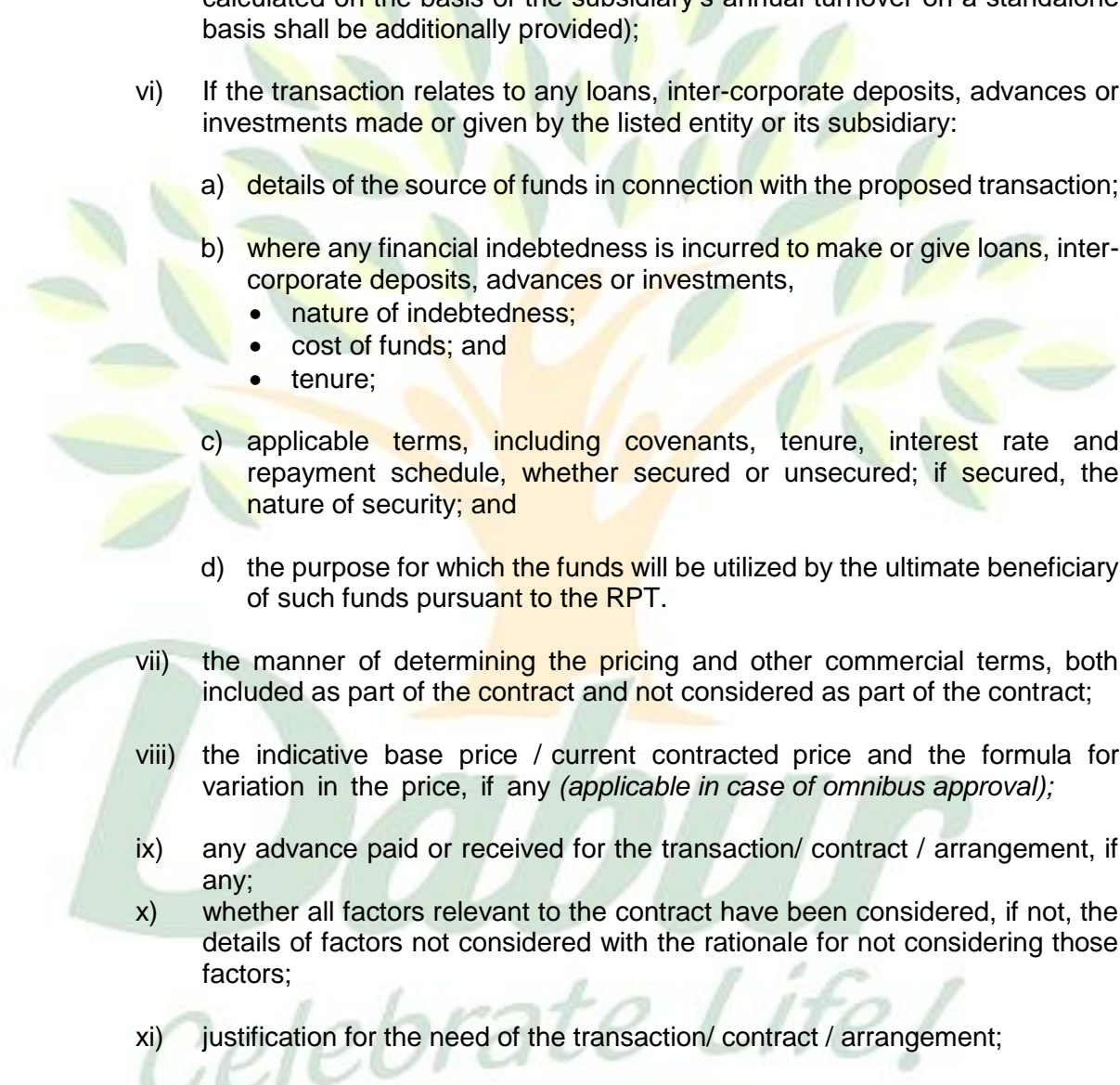
- 1) All Related Party Transactions and subsequent material modifications with respect to transactions where Dabur India Limited is a party, require prior approval of Audit Committee either at a meeting or by resolutions by circulation. Further, all subsequent non-material modifications to a Related Party Transaction shall also be required to be approved by the Audit Committee on or before the immediately next meeting falling after such modification.
- 1A) All Related Party Transactions and subsequent material modifications, with respect to transactions where subsidiary Company is a party (and Dabur India Limited is not a party) require prior approval of Audit Committee either at a meeting or by resolutions by circulation if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of Dabur India Limited;

With effect from April 1, 2023,

All Related Party Transactions and subsequent material modifications, with respect to transactions where subsidiary Company is a party (and Dabur India Limited is not a party) shall require prior approval of Audit Committee either at a meeting or by resolutions by circulation if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary company;

No approval of Audit Committee is required for transactions 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.

- 1B) Only those members of the Audit Committee, who are independent directors, shall approve related party transactions
- 2) The Audit Committee shall grant approval/ omnibus approval for Related Party Transactions proposed to be entered into by the company, in line with this policy on Related Party Transactions (including criteria for granting approvals/ omnibus approval) of the company.
- 3) For granting of approval & for review of approved Related Party Transactions, the Audit Committee shall be provided with all relevant material information of the Related Party Transaction, 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. The information shall specifically cover the following:
  - i) the name(s) of the related parties and nature of relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
  - ii) nature, period/duration/Tenure (particular tenure shall be specified) of the proposed transaction/ contract / arrangement;

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- iii) Type, material/ salient terms and particulars of the transaction / contract / arrangement
  - iv) Value of the proposed transaction;
  - v) The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
  - vi) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
    - a) details of the source of funds in connection with the proposed transaction;
    - b) 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;
    - c) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
    - d) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
  - vii) 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;
  - viii) the indicative base price / current contracted price and the formula for variation in the price, if any (*applicable in case of omnibus approval*);
  - ix) any advance paid or received for the transaction/ contract / arrangement, if any;
  - x) 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;
  - xi) justification for the need of the transaction/ contract / arrangement;
  - xii) whether the approval is in interest of the company. Justification as to why the RPT is in the interest of the listed entity;
  - xiii) A copy of the valuation or other external party report, if any such report has been relied upon;
  - xiv) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;

- xv) whether the transaction/ contract / arrangement is repetitive in nature (in past or in future) (*applicable in case of omnibus approval*);
  - xvi) the persons/authority within the company management approving the transaction/ contract / arrangement;
  - xvii) aggregate value/amount of transactions during the relevant Financial Year for which approval/ omnibus approval is being sought is in compliance with the threshold limits mentioned in this policy;
  - xviii) confirmation that the maximum value/amount per transaction for which omnibus approval has been given by the Audit Committee is as per the criteria mentioned in this Policy (*applicable in case of review of omnibus approval which has been already granted*);
  - xix) any other information relevant or important for the Committee to take a decision on the proposed transaction.
- 3A) The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- 4) Criteria for granting approval (including omnibus approval)
- i) In determining whether to approve a Related Party Transaction, the Audit Committee is to consider inter-alia the following factors to the extent relevant to the Related Party Transaction:
    - a) whether the transaction is in the ordinary course of business of the company.
    - b) whether the terms of the transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
    - c) whether there are any undue compelling business reasons for the Company to enter into the transaction and the nature of alternative transactions, if any;
    - d) whether the transaction would affect the independence of the directors/KMP;
    - e) whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
    - f) where the ratification of the transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company;
    - g) whether the Related Party transaction would present an improper conflict of interest for any director or KMP of the Company, taking into account the size of the transaction, the overall financial position of the director, 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 and any other factors the Committee deems relevant.

Additional criteria for granting omnibus approval

h) The Audit committee shall consider the following factors while making the omnibus approval for the Related Party Transaction:

1. repetitiveness of the transactions (in past or in future);
2. justification for the need of omnibus approval;
3. the approval is in the interest of the company;
4. maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a financial year, shall be as follows:
  - ✓ the maximum value of the transaction, in aggregate, with all related parties taken together, in a financial year, shall not exceed 10 (ten) % of the annual consolidated revenue from operations of the Company as per the last audited financial statements of the company
5. the maximum value per transaction which can be allowed shall be as follows:
  - ✓ the maximum value per transaction shall not exceed INR 5 (Five) crores (INR 7 crores for Aviva Life Insurance Company Limited) and where each invoice shall be considered as a separate transaction.
6. the extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval shall be as specified in clause 4.3 (A) (3) of this policy.
7. Interval for review of related party transaction entered into by the company pursuant to each of the omnibus approval made shall be:
  - ✓ the interval as mentioned in clause 4.3 (A) (7) of this policy.
8. transactions which cannot be subject to the omnibus approval, by the Audit Committee, shall be:
  - ✓ transactions as mentioned in clause 4.3 (A) (8) of this policy;
  - ✓ any other transactions as may be specified by applicable laws, time to time.

ii) Criteria for Arm`s length Basis

- a) for any transaction with wholly owned subsidiary company or in cases where vendor is specific and multiple vendors may or may not be available, the transactions shall be considered to be on an arm`s length basis when the same is conducted at consideration and under terms and conditions those apply for transactions with unrelated parties.

b) for transactions with Related Parties, other than wholly owned subsidiary company, in cases where vendor is not specific and also multiple vendors are available, the transactions shall be considered to be on an arm`s length basis in the following circumstances:

- clear specifications (including, *inter alia*, the quantity and quality) of the transaction are made available by the Company;
- based on the specifications at least two quotations from different vendors (other than Related Parties) have been sought by the Company;

based on the specifications and quotations received the evaluation based on the above criteria/ consideration for granting approval (as set forth above) has been done in the best interest of the Company.

5) The approval / omnibus approval granted by the Audit Committee shall specify the following:

- i) Name(s) of the related parties and nature of relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- ii) nature, period/duration Tenure (particular tenure shall be specified) of transaction/ contract / arrangement;
- iii) The percentage of the listed entity`s annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary`s annual turnover on a standalone basis shall be additionally provided);
- iv) Percentage of the counter-party`s annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- v) a) maximum amount of transaction that can be entered into;  
b) in case of grant of omnibus approval-
  - the maximum value of the transaction, in aggregate, with all related parties taken together, in a financial year;
  - the maximum value per transaction which can be allowed.
- vi) the indicative base price / current contracted price and the formula for variation in the price, if any;
- vii) material/ salient terms of the transaction / contract / arrangement
- viii) value of the transaction;
- ix) any advance paid or received for the transaction/ contract / arrangement, if any;
- x) justification for entering into the transaction/ contract / arrangement, in case the transactions/ contract / arrangement are not at arm`s length basis;

- xi) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Provided that 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 Rs.1 (one) crore per transaction.

- 6) Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
  - 7) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval made.
  - 7A) The audit committee shall review the status of long-term (more than one year) or recurring RPTs on an annual basis.
  - 8) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
  - 9) any other conditions as the Audit Committee may deem fit.
  - 10) Any member of the Committee who has a potential interest in any Related Party Transaction is to abstain from discussion and voting on the approval of the Related Party Transaction.
  - 11) The Audit Committee is entitled to seek professional advice/ opinion relating to concerns, if any.
- (B) Approval of Board of Directors
- 1) If the Committee determines that a Related Party Transaction 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 for Board to approve the Related Party Transaction, then the Board is to consider and approve the Related Party Transaction at a meeting and the considerations set forth in clause 4.3 (A) above apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.
  - 2) All the Related Party Transactions which are –
    - not in the Ordinary Course of Business or not at Arm`s Length Basis;
    - all Material Related Party Transactions (other than transactions entered into by the company with its wholly owned subsidiary, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval *and* 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) are to be brought before the Board and the Board shall consider and approve the Related Party Transaction at a meeting. The considerations set forth in clause 4.3 (A) above apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.



- 3) Any member of the Board who is interested or has a potential interest in any Related Party Transaction shall not be present at the meeting during discussions on the subject matter of the resolution relating to such Related Party Transaction.

(C) Approval of Shareholders

- 1) All **Material Related Party Transactions** and subsequent material modifications (other than transactions entered into by the company with its wholly owned subsidiary, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval and the transactions 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) shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that the requirements specified under this sub-clause shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- 2) All **Related Party Transactions** (other than transactions entered into by the company with its wholly owned subsidiary, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval and transactions 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) which are not in the Ordinary Course of Business and/or are not at Arms' Length Basis and are exceeding the limits mentioned in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 shall require prior approval of the shareholders through resolution. No related parties to the contract or arrangement shall vote on such resolution to approve the contract or arrangement. It is clarified that the 'Related Party' referred to here has to be construed with reference to the contract or arrangement under the particular resolution. Thus the term 'Related Party' in the given context, refers to only such related party as may be a related party in the context of the contract or arrangement for which the said resolution is being proposed.

3. **Information to be provided to shareholders for consideration of RPTs**

The notice to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Act, include the following information as a part of the explanatory statement:

- a. A summary of the information provided by the management of the listed entity to the audit committee as specified in point 4.3 (A) 3) above;
- b. Justification for why the proposed transaction is in the interest of the listed entity;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4.3 (A) 3) (vi) above;

- d. A 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;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

(D) Transactions not requiring approval of Audit Committee, Board or Shareholders

Notwithstanding the foregoing, the following Related Party Transactions do not require approval of Audit Committee, Board or Shareholders:

1. Any transaction that involves the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
2. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and where all holders of such securities receive the same benefits pro rata as the Related Party.

(E) Transactions not requiring approval of Board or Shareholders

Notwithstanding the foregoing, the following Related Party Transactions do not require approval of Board or Shareholders:

1. Contracts entered into by the Company pursuant to section 297 of the Companies Act, 1956, which have already come into effect before the commencement of section 188 of the Act, do not require fresh approval under section 188 of the Act, till the expiry of the original term of such contracts. However, if any modification in such contract is made on or after April 1, 2014, the requirements under section 188 of the Act are to be complied with.
2. transactions entered into by the company in the ordinary course of business and at arm's length basis with its wholly owned subsidiary, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval and the transactions 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.

(F) Summary of approvals required

The summary of approvals required for related party transactions (RPT) have been mentioned in the table below:

(a) RPTs where Dabur India Limited is a Party:

| Transactions                                      | Nature                     | Audit Committee                              | Board of Directors | Shareholders |
|---|----------------------------|--|--------------------|--------------|
| Non-material RPTs<br>(as per Listing regulations) | Initial                    | Yes  | No                 | No           |
|   | Non-material modifications | Yes<br>(as per Clause 4.3.A.1 of the Policy) | No                 | No           |
|   | Material modifications     | Yes  | No                 | No           |

| Transactions   | Nature  | Audit Committee        | Board of Directors | Shareholders                 |
|--|---|------------------------|--------------------|------------------------------|
| Material RPTs<br>(as per Listing regulations)  | Initial   | Yes                    | Yes                | Yes<br>(Ordinary resolution) |
|  | Non-Material modifications  | Yes                    | No                 | No                           |
|  | Material modifications  | Yes                    | Yes                | Yes<br>(Ord. Res.)           |
| Material RPTs in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved. |   | Yes                    | Yes                | No                           |
| RPTs with wholly owned subsidiaries of Dabur India   |   | Yes<br>(under the Act) | No                 | No                           |
| All RPTs at arm's length and in ordinary course of business under Section 188 of the Act   | Irrespective of limits specified under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules") or not | Yes                    | No                 | No                           |
| All RPTs not at arm's length or not in ordinary course of business under Section 188 of the Act.   | within limits specified under Rule 15 of the Rules  | Yes                    | Yes                | No                           |
|  | exceeding limits specified under Rule 15 of the Rules   | Yes                    | Yes                | Yes<br>(Ord. Res.)           |

(b) RPTs where subsidiaries of Dabur India (and not Dabur India itself) is a party:

| Transactions   | Nature   | Audit Committee | Board of Directors | Shareholders       |
|--|--|-----------------|--------------------|--------------------|
| RPTs not exceeding 10% of the annual consolidated turnover of Dabur India Limited, as per the last audited financial statements. (upto March 31, 2023)         | Original & modification thereto (whether material or non-material) | No              | No                 | No                 |
| W.e.f. April 1, 2023, RPTs exceeding 10% of the annual standalone turnover of such subsidiary entering into RPT, as per its last audited financial statements. | Original   | Yes             | No                 | No                 |
|  | Non-material modifications   | Yes             | No                 | No                 |
|  | Material modifications   | Yes             | No                 | No                 |
| RPTs exceeding 10% of the annual consolidated turnover of Dabur India Limited, as per the last audited financial statements.                                   | Original   | Yes             | Yes                | Yes<br>(Ord. Res.) |
|  | Non-material modifications   | Yes             | No                 | No                 |
|  | Material modifications   | Yes             | Yes                | Yes<br>(Ord. Res.) |
| RPTs between two wholly owned subsidiaries of Dabur India.   |  | No              | No                 | No                 |



## **5. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the matter is to be reviewed by the Audit Committee. The Committee is to consider all the relevant facts and circumstances regarding the Related Party Transaction, and evaluate all options available to the Company, including ratification (except transactions that were material and any subsequent material modification thereto), revision or termination of the Related Party Transaction. The Committee is also to examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and take any such action it deems appropriate in accordance with the provisions of Act and the Listing Regulations.

## **6. REPORTING AND DISCLOSURES**

1. Details with respect to Related Party Transactions are to be disclosed to the Stock Exchanges (where shares of the company are listed) in the compliance report on corporate governance.
2. The policy on dealing with Related Party Transactions is to be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report.
3. Particulars of every contract or arrangement with Related Parties under section 188 (1) of the Act are to be included in the Board's Report to the shareholders along with justification for entering into the transaction in the prescribed Form AOC-2.
4. A Register pertaining to Related Party Transactions is maintained by the company in accordance with the Act, which is placed before the Board / annual general meeting as per the requirements of Act.
5. Disclosure regarding Related Party relationship and transactions with them are made in the Financial Statements as per the requirements of relevant Accounting Standards and the Listing Regulations.
6. The Company shall submit within 15 days from the date of publication of its standalone and consolidated financial results for the half year, and with effect from April 1, 2023, on the date of publication of its standalone and consolidated financial results, the disclosures of related party transactions on a consolidated basis, in the format as specified by the SEBI time to time, to the stock exchanges and publish the same on its website.

## **7. AMENDMENTS TO THE POLICY**

The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy are subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities found inconsistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

*Footnote:*

- Version 1: Original policy dated 3.11.2014*
- Version 2: First amendment dated 29.07.2015*
- Version 3: Second amendment dated 28.10.2015*
- Version 4: Third amendment dated 28.01.2016*
- Version 5: Fourth amendment dated 27.07.2016*
- Version 6: Fifth amendment dated 31.01.2019*
- Version 7: Sixth amendment dated 02.02.2022 effective from 01.04.2022*

*This Policy has been communicated to all operational employees and other concerned persons of the Company and placed on the website of the Company at [www.dabur.com](http://www.dabur.com)*

