DCM SHRIRAM INTERNATIONAL FINE CHEMICALS

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Policy on Related Party Transactions

Preamble

Related party transactions, can present potential or actual conflicts of interest and may raise question about whether such transactions are consistent with the interest of the Company as well as its stakeholders. They should be transparent. Therefore, a Policy for Related Party Transactions (RPT) was adopted by the Company's Board of Directors at its meeting held on December 24, 2025, on recommendation of the Audit Sub-Committee.

This Policy was applicable to the Company and is to regulate transactions between the Company and its related parties based on the applicable laws and regulations.

The provisions with regard to RPTs have undergone substantial changes since then. Further in terms of Regulation 23 of SEBI (LODR) Regulations, 2015, this Policy has to be reviewed by the Board of Directors at least once in every three years and updated.

Purpose

Accordingly, the Policy has been revised / updated. This revised Policy is framed as per requirements of Regulation 23 of SEBI (LODR) Regulations to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its related parties.

Legal Provisions

RPT is governed by the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and Its Powers) Rules, 2014, Ind AS 24, and Regulation 23 of SEBI (LODR) Regulations, 2015. Whereas Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 deal with disclosure and approval requirements, Ind AS 24 deals with disclosure of RPTs in the financial statements.

Definitions

"Audit Sub-Committee or Committee" means Committee of Board of Directors of the Company constituted under the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

"Board" means the Board of Directors of the Company.

"Key Managerial Personnel" means Key Managerial Personnel as defined under Section 203 of the Companies Act and includes:

(i) Managing Director, or Chief Executive Officer or manager and in their absence, a Whole-time Director ;
(ii) Company Secretary; and
(iii) Chief Financial Officer

"Material Modification": Material modification to a Related Party Transaction (RPT) shall mean any change in the terms of the transaction which results in change in the value of the transaction by 20% or more than the approved value of the transaction.

Provided that change in the value of RPT on account of the following shall not be considered as Material Modification:

- Change in quantity or rate of the existing RPT due to the reasons beyond the control of the Related Parties
- Change due to revision/imposition of statutory levies like taxes, duties, etc.

"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:

Consolidate Turnover	Threshold
Up to Rs. 20,000 Cores	10% of the annual consolidated turnover of the listed entity

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, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity."

"Policy" means Related Party Transaction Policy.

"Related Party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

Provided any person or entity belonging to the promoter or promoter group of the Company or any other person or entity holding10% or more of shareholding or such other shareholding in the Company as may be notified under SEBI Listing Regulations, shall deemed to be a related party."

Section 2(76) of the Companies Act, 2013 and the relevant Rules referred to above, define `related party' with reference to a company as under:

i) a director or his relative;

ii) Key Managerial Personnel or his relative;

iii) a firm in which a director, manager or his relative is a partner;

iv) a private company in which a director or manager or his relative is a member or director;

v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent 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-clause (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 company of such company;
b) a subsidiary of a holding company to which it is also subsidiary; or
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) a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a

company, shall be deemed to be a related party.

INDAS 24 defines "related party" as under:

A related party is a person or entity that is related to the entity that is preparing its financial statements:

(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 over 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
apply:

(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.

"Relative" means relative as defined under Section 2(77) of the Companies Act, 2013, and includes anyone who is related to another, if -

i) they are members of a HUF;
ii) they are husband and wife ;
iii) father including step father;
iv) mother including the step mother;
v) son including step son ;
vi) son's wife ;
vii) daughter ;
viii) daughter's husband ;
ix) brother including step brother ;
x) sister including step sister.

"**Related Party Transaction"** as per the Companies Act, 2013 means any contract or arrangement with a related party with respect to;

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) such 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;

"**Related Party Transaction"** as per Regulation 2(zc) of SEBI (LODR) Regulations, 2015 means a transaction involving a transfer of resources, services or obligations between:

(i) Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or

(ii) 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:

Provided that the following shall not be a 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 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.

(c) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/ offered to all employees and directors.

Approvals

As per Section 188 of the Companies Act, 2013 read with the relevant Rules and Regulation 23 of SEBI (LODR) Regulations, 2015, all RPTs and subsequent material modifications, other than those in the ordinary course of business and on arms length basis, shall require prior approval of the Audit Sub-Committee and the Board of Directors and such approval shall be comprised of the affirmative vote of the independent directors who are members of the Audit Committee.

Approval of Audit Sub-Committee shall be prior approval. However, the Audit Sub-Committee may grant omnibus approval for RPT proposed to be entered into by the Company. Such approval shall be confined to the transactions which in the opinion of the Audit sub-committee, are repetitive in nature.

Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions, namely

a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature

b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity

c) the omnibus approval shall specify

   i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into

   ii. the indicative base price / current contracted price and the formula for variation in the price if any; and

   iii. such other conditions as the audit committee may deem fit;

   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 rupees one crore per transaction.

d) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given

e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

A related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

Prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 15(2) and 23 of SEBI Listing Regulations are applicable to such listed subsidiary. For related party transactions of unlisted subsidiaries of a listed subsidiary, the prior approval of the audit committee of the listed subsidiary shall suffice.

Remuneration and sitting fees paid by the Company 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.

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:

- 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;
- the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
- rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
- 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 authorized by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

All material related party transactions and subsequent material modifications as defined by the audit committee under Regulation 23(2) of SEBI Listing Regulations 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 prior approval of the shareholders of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 15(2) and 23 of SEBI Listing Regulations are applicable to such listed subsidiary. For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

The provisions of Regulations 23 (2), (3) and (4) shall not be applicable in the following cases:

- transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

- transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

- transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand

Policy

The Corporate Law Department of the Company has advised all concerned Units/ Divisions/ Offices, not to enter into any RPT without prior clearance from the Corporate Law Department.

Criteria for judging RPT

Whether the terms of the RPT are fair to the Company and would apply on the same basis, if the transaction did not involve a related party.

Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any.

Whether the RPT would impair the independence of an otherwise

independent director.

Based on the above criteria, the Corporate Law Department will advise whether to go ahead with RPT by seeking necessary approvals or not.

Disclosures

The Company shall submit on the date of publication of its standalone and consolidated financial results for the half year or within such time as may be laid down under SEBI (LODR) Regulations, 2015, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

The Policy will be disseminated on the Company website and a web-link thereto shall be provided in the Annual Report.

Details of material RPT will be disclosed quarterly along with the Compliance Report on Corporate Governance to the Stock Exchange.

The Audit Committee will revise the Policy at least once in three years for updating.

This Policy has been approved by the Board at its meeting held on 24.12.2025 on the recommendation of the Audit Committee.

Sd/-
(Urvashi Tilakdhar)
Senior Managing Director

Dated: 24.12.2025