



**Policy on Materiality of Related Party Transactions
and
Dealing with Related Party Transactions**

<i>Initially approved on</i>	:	<i>July 17, 2014</i>	<i>Effected from</i>	:	<i>October 1, 2014</i>
<i>Modified on</i>	:	<i>August 13, 2020</i>	<i>Effected from</i>	:	<i>July 1, 2019</i>
<i>Modified on</i>	:	<i>January 28, 2022</i>	<i>Effected from</i>	:	<i>April 1, 2022</i>



A. Preamble

The Board of Directors had originally approved this Policy on July 17, 2014 pursuant to the recommendations of the Audit Committee in terms of the provisions of the Companies Act, 2013 and the Listing Agreement. The said Policy was further modified on August 13, 2020 by virtue of the amendments in the Listing Agreement.

On recommendations of the Audit Committee, the said Policy has now been amended by the Board of Directors on January 28, 2022 pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time.

B. Purpose

D. B. Corp Limited (*"the Company"*) is mainly in the business of printing and publication of newspapers and in order to run the business activities smoothly, the Company deals with the Related Parties. Any transaction by the Company with the related parties may create a conflict of interest and thereby may raise questions on the validity of such related party transactions.

To ensure the proper reporting, approval, implementation and disclosure of the RPTs in the best interest of Company and its shareholders, the Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions has been framed by the Board of Directors on the recommendations of the Audit Committee.

C. Definitions

"**Act**" means Companies Act, 2013 including any statutory modifications or re-enactment thereof;

"**SEBI Listing Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification or reenactment thereof.

"**Audit Committee**" or "**Committee**" means the Audit Committee constituted by the Board of Directors in accordance with applicable law, including the SEBI Listing Regulations and the Act as amended from time to time.



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

"**the Company**" means D. B. Corp Limited.

"**Key Managerial Personnel**" or "**KMPs**" means Key Managerial Personnel as defined under the Act and includes:

- (i) The Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole Time Director;
- (iii) the Company Secretary
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the directors who is in wholetime employment, designated as key managerial personnel by the Board.

"**Material Modification**" means any modifications in the pricing, quantity or overall transaction value of the Related Party Transaction/s approved by the Audit Committee or in the Material Related Party Transaction/s approved by the Shareholders during the year which will change the complete nature of the transaction or in case of monetary thresholds which is in excess of 20% of the originally approved transaction.

"**Material Related Party Transaction**" in relation to the Company means a related party transaction which individually or taken together with previous transactions with a related party during a financial year, exceeds Rupees One Thousand Crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, 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 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 Company.

"**Related Party**" means a related party as defined under the Act and the Rules made thereunder and the SEBI Listing Regulations, as amended from time to time.

"**Related Party Transactions**" shall mean such transactions as specified under the Act and the Rules made thereunder and Regulation 2(1)(zc) of the SEBI Listing Regulations, including any amendment or modification thereof, as may be applicable.

"**Relative**" means a relative as defined under Section 2(77) of the Act and the Rules made thereunder and Regulation 2(1)(zd) of the Listing Regulations.



“**Transaction**” with a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or any other applicable law or regulation.

D. Dealing with Related Party Transactions

I. Identification of Related Parties:

A list of all the related parties in relation to the Company received from the Board shall be updated from time to time.

Every official of the Company shall be required to obtain necessary approval regarding their engagement with other entity or for entering into any contract or transaction during the financial year, which may be regarded as related party according to this Policy, from the Audit Committee or Board or the shareholder of the Company, as the case maybe.

Every Director, Senior Management Personnel and Key Managerial Personnel are responsible to apprise the Company of their interest (including interest of their Relatives) in other Companies, firms or concerns at the beginning of every financial year and any change in such interest during the year.

In addition, every Director, Senior Management Personnel and Key Managerial Personnel authorized to enter into contracts/ arrangements will be responsible for providing prior Notice to the Company Secretary of any potential Related Party Transaction along with subsequent material modifications. They will also be responsible for providing additional information about the transaction that the Board or Committee may request, for being placed before the Committee and the Board.

All such notice shall be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and to refer it to the Audit Committee.

II. Approval and Review of Related Party Transactions:

All the Related Party shall be approved prior by the Audit Committee in accordance with this Policy and also unless otherwise specified in this Policy, all Related Party Transactions along with



subsequent material modifications require prior approval of the Audit Committee of the Company.

Provided that only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

Provided further that:

- a) the audit committee of the Company shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;
- b) *With effect from April 1, 2022*, 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 per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;
- c) *With effect from April 1, 2023*, 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 per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;
- d) 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 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

The Audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

III. **Omnibus Approval:**

The Audit Committee shall approve the RPTs which are required to be entered in the day to day functioning of the business of the Company in the form of ‘Omnibus approval’ and specify the criteria of entering into such RPTs:

- (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;



- (b) the maximum value per transaction which can be allowed;
- (c) the indicative base price / current contracted price and the formula for variation in the price if any;
- (d) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- (e) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
- (f) transactions which cannot be subject to the omnibus approval by the Audit Committee.

The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.

The omnibus approval shall contain or indicate the following:

- (a) name of the related parties;
- (b) nature and duration of the transaction;
- (c) maximum amount of transaction that can be entered into;
- (d) the indicative base price or current contracted price and the formula for variation in the price, if any; and
- (e) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Information to be reviewed by the Audit Committee for approval of RPTs:

The Company shall provide the following information for review of the Audit Committee for approval of a proposed RPT:

- 1) Type, material terms and particulars of the proposed transaction;
- 2) Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- 3) Tenure of the proposed transaction (particular tenure shall be specified);
- 4) Value of the proposed transaction;
- 5) 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);
- 6) 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.
- 7) Justification as to why the RPT is in the interest of the listed entity;
 - 8) A copy of the valuation or other external party report, if any such report has been relied upon;
 - 9) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
 - 10) Any other information that may be relevant.

However, 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 Rupees one crore per transaction.

All omnibus approvals granted shall be valid for a period of one year from the dates of such approval and shall be subject to review and shall require fresh approval after the expiry of such financial year.

The Audit Committee shall, on quarterly basis, review the details of the Related Party Transactions entered into by the Company pursuant to the omnibus approval.

IV. Transactions of Urgent Nature:

Any transaction of an urgent nature and which requires immediate approval of the Audit Committee, due to business exigencies, between two meetings of the Audit Committee may be approved by the Audit Committee vide a resolution passed by circulation after satisfying the need for such RPTs in the best interest of the Company.

V. General Provisions w.r.t. RPTs:

Pursuant to provisions of Section 177 of the Companies Act, 2013, in case of transaction, other than transactions referred to in section 188 of the Act, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

Any Independent Director who is a Member of the Audit Committee and has a potential interest in any Related Party Transaction, will recuse himself or herself and abstain from voting on the approval of such Related Party Transaction. Such Member may, however, participate in discussions with respect to other Related Party Transactions placed for approval of the Audit



Committee. All Related Party Transactions that are not in the ordinary course of business or not on arm's length basis shall also be referred to the Board of Directors for their approval. Any Member of the Board who has a potential interest in such Related Party Transaction will recuse himself or herself and abstain from voting on the approval of such Related Party Transaction. Such Member may, however, participate in discussions with respect to other Related Party Transactions placed for approval of the Board.

All entities falling under the definition of Related Parties shall not vote in the general meeting to approve the Material Related Party Transaction irrespective of whether the entity is a party to the particular transaction or not pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

E. Material Related Party Transactions

All Material Related Party Transactions and subsequent material modifications thereof shall be placed for prior approval of shareholders through resolution and no related party shall vote on such resolutions whether the entity is a related party to the particular transaction or not. The Company has fixed the following materiality threshold in accordance with the Act and SEBI Listing Regulations:

- (a) Transactions with a Related Party covered under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, shall be governed by the respective limits provided under the said rules;
- (b) For other type of transactions with a Related Party, the materiality threshold shall be as provided under Regulation 23 of the SEBI Listing Regulations, as amended from time to time.

The Material Related Party Transactions entered into between the Company and its wholly owned subsidiaries shall not require prior approval of shareholders.

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- 1) A summary of the information provided by the management of the Company to the Audit Committee;
- 2) Justification as to why the proposed transaction is in the interest of the Company;
- 3) 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;
- 4) 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;

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

The Policy on materiality of Related Party Transactions and its threshold limits shall be reviewed by the Board of Directors of the Company once in every three years and updated accordingly.

F. Disclosures

Details of all Related Party Transactions on a consolidated basis shall be disclosed to the Stock Exchanges and on Company's website as provided under the SEBI Listing Regulations.

The Company shall disclose the Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions on its website and provide web-link in the section on Corporate Governance in the Annual Report.

The details of every contract or arrangement entered into as per Section 188 of the Companies Act, 2013 as applicable shall be disclosed in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

G. Amendments in the Policy

This policy may be amended by the Board at any time and is subject to the (i) amendments to the Companies Act, 2013 and rules made thereunder and (ii) further guidelines and enactments by the SEBI, including SEBI Listing Regulations.
