

DISA India Limited
Related Party Transactions (RPT) Policy

DISA India Limited (“**DISA**” or “**Company**”) is governed amongst others by the Securities Exchange Board of India (“**SEBI**”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) as amended, lays down the regulatory requirements for Related Party Transactions (RPT).

In accordance with the provisions of Regulation 23(1) of the Listing Regulations, the Board of Directors (the “**Board**”) of the Company has adopted the policy on Related Party Transactions (RPT) as stated herein after.

All the words and expressions used in this Policy, unless defined hereafter, shall have the meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Act**”) and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

Details of RPT Policy adopted by the Company are as under:

A. Related Party and Related Party Transaction are defined as:

‘Related Party’ means a related party as defined under Section 2(76) of the Companies Act, 2013, applicable accounting standards and as per Regulation 2(1)(zb) of Listing Regulations.

‘Related Party Transaction’ means transactions as defined under Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its powers) Rules and Regulation 2(1)(zc) of Listing Regulations.

B. Materiality Condition:

1. 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 the thresholds specified in Schedule XII of the Listing Regulations.
2. 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 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

C. Ordinary Course of Business:

The following transactions would be considered to be in the Ordinary Course of Business:

1. Purchasing / Selling of goods & services with Norican Group Companies worldwide, using the Norican Standard Transfer Pricing Policy.
2. Purchasing / Selling of Capital Assets with Norican Group Companies worldwide, using Arm’s Length Pricing.
3. Management, IT & Marketing Services payments.
4. Royalty payments/receipts, to/from Norican Group Companies.
5. Agency Commissions payments/receipts to/from Norican Group Companies.
6. Salaries, Commissions & Reimbursements, to Directors & KMPS, as per the Company’s Policies and Terms of Appointments.
7. Any other transactions which do not fall under Materiality Condition as stated above.

DISA India Limited
Related Party Transactions (RPT) Policy

D. Approval Process:

1. All related party transactions in the Ordinary Course of Business, as stated above and at arm's length terms, and subsequent Material Modifications need prior approval of the Audit Committee. Such approval would be obtained based on estimated amount of business for the financial year.
2. Omnibus approval: Audit Committee may give Omnibus approval for all RPT provided:
 - a. RPTs are in line with the Norican Standard Transfer Pricing Policy &/or follows Arm's length pricing.
 - b. RPTs are repetitive in nature.
 - c. Individual Related Party Transaction value is less than Rs.1 Crore.
 - d. Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of one financial year.

Company will provide an update to the Audit Committee, on a quarterly basis, the actual related party transactions undertaken for the period as compared to the Omnibus approvals.

3. 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 the value not exceeding Rs.1 crore per transaction.
4. A related party transaction above Rs. 1 Crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of DISA India Limited is a party but DISA India Limited is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction, exceeds the lower of the following:
 - (i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
 - (ii) the threshold for material related party transactions of DISA India Limited as specified in Schedule XII of the Listing Regulations.
5. Remuneration and sitting fees paid by the listed entity 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 in terms of the provisions.
6. All the related party transactions need prior approval of the Board of Directors of the Company.
7. All **material RPTs** and subsequent Material Modifications would additionally require approval from Shareholders, in addition to the prior approval from the Audit Committee and the Board, through an ordinary resolution, wherein the Related Parties shall abstain from voting on such resolutions whether the entity is a party to the particular transaction or not.
8. The omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time.

DISA India Limited
Related Party Transactions (RPT) Policy

9. In case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.
10. 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:
- (i) the value of the ratified transaction(s) with a related party, whether entered individually or taken together, during a financial year shall not exceed rupees one crore;
 - (ii) the transaction is not material
 - (iii) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification.
 - (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions
 - (v) 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.”

E. Material Modification:

SEBI (LODR) (Sixth Amendment) Regulations, 2021, which is applicable from April 1, 2022 has provided that prior approval of the Audit Committee is required not only for Related Party Transactions but also subsequent Material Modifications.

Similarly, approval of shareholders is required not only for Material RPTs but also Material Modifications.

‘Material Modification’ is “value of modification in excess of 30% of the original value”.

F. Policy Review:

The Policy shall be reviewed by the Board every 3 (three) years and as and when any changes are to be incorporated in the Policy due to change in Regulatory Framework or as may be deemed appropriate by the Board.

G. Disclosures:

The Policy shall also be uploaded on the website of the Company and the web-link to the Policy will be inserted in the Annual report of the Company every year.

H. Amendments In Law:

Any subsequent amendment/modification in the Listing Regulations, Companies Act 2013, RPT Industry Standards (as indicated by SEBI), SEBI Circulars issued from time to time, and/or other applicable laws in this regard shall automatically apply to this Policy.