



Dabur India Limited

**Policy on Related Party
Transactions**

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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, its subsidiaries and their 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

3.1 “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;

3.2 “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.

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

3.4 “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;

3.5 “Material Related Party Transaction” –

(i) 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 (*enclosed as Annexure A*) of the Listing Regulations.

(ia) 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 percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

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

3.7 “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 of ten per cent or more, 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 relative¹;
- ii) a key managerial personnel or his relative¹;
- iii) a firm, in which a director, manager, or his relative¹ is a partner;
- iv) a private company in which a director or manager or his relative¹ is a member or director;
- v) a public company in which a director or manager is a director and holds along with his relatives¹, 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 relative¹ with reference to a company, shall be deemed to be related party.

¹Relative 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.

3.8 “Related Party Transaction” (RPT) 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;

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 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;
 - iv. buy-back of securities; and
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:
- (d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

- (e) retail purchases from any listed entity or its subsidiary by the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.

“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.

The expression "office or place of profit" means any office or place—

- (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

3.9 "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 types 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.

3.10 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;
- Payment of Royalty;
- Retirement benefits to employees;
- Payment/ Receipt of Rentals;

- Interest paid/ received against Loan / facility.

3.11 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.

Any “word” or “phrase” not specifically defined herein shall have the definition or meaning prescribed under the Act or Listing Regulations.

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 shall 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 shall 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 shall 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 shall determine whether the transaction genuinely constitutes a Related Party Transaction requiring compliance with this Policy.

4.3. Review and Approval of Related Party Transactions

The Audit Committee shall review the related party 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, shall require prior approval of Audit Committee either at a meeting or by resolution by circulation. Further, all subsequent non-material modifications to a Related Party Transaction shall also be required to be approved by the Audit Committee in the immediately next meeting falling after such modification.

1A) All Related Party Transactions above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, and subsequent material modifications, with respect to such 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 resolution by circulation if the value of such transaction exceeds the lower of the following:

- (i) ten percent of the annual standalone turnover of the subsidiary Company as per the last audited financial statements of the subsidiary Company; or
- (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII (*enclosed as Annexure A*) of the Listing Regulations.

1B) In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, where subsidiary Company is a party (and Dabur India Limited is not a party) and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

- (i) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
- (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII (*enclosed as Annexure A*) of the Listing Regulations.

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

1C) No approval of Audit Committee is required for –

- (i) 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;

- (ii) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company and the Central Government or any State Government or any combination thereof on the other hand;
 - (iii) 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 in terms of the definition of Material RPT under Clause 3.5 (i) of this Policy.
- 1D) 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 or its subsidiaries, in line with this policy on Related Party Transactions (including criteria for granting approvals/ omnibus approval) of the Company.
 - 3) For granting of approval (including omnibus approval) and 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 information required to be provided to the Audit Committee in terms of the Act and the Listing Regulations as well as the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” issued by the Industry Standards Forum (“ISF”) comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI as amended from time to time, while placing any proposal for review and approval of an RPT.
 - 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) 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

- g) The Audit committee shall consider the following factors while making the omnibus approval for the Related Party Transaction:
 - repetitiveness of the transactions (in past or in future);
 - justification for the need of omnibus approval;
 - the approval is in the interest of the company;
 - 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 transactions, in aggregate, with all related parties taken together, in a financial year, shall not exceed 10% (ten percent) of the annual consolidated revenue from operations of the Company as per the last audited financial statements of the company
 - 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.
 - 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.
 - 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.
 - 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 under applicable laws, from time to time.

(ii) Criteria for Arm's length Basis

Since the Act and the Listing Agreement does not prescribe methodologies and approaches which may be used to determine whether a transaction has been entered into on an arm's length basis, the Company shall comply with provisions of Section 92C of the Income Tax Act, 1961 dealing with the computation of arm's length price.

Depending on the nature of individual transaction, the methods as specified below shall be used to arrive at a considered decision to determine arm's length basis:

- a) For international transactions relating to sale / purchase of goods and services - Transactional Net Margin Method Transactional Net Margin Method / Comparable Uncontrolled Price Method / Most Appropriate Method depending on the transaction / subsidiary.
- b) For domestic transactions relating to sale / purchase of goods and services – Comparable Uncontrolled Price method (i.e. Fair Market Value).
- c) Transactions related to reimbursement of expenses - Comparable Uncontrolled Price method (i.e. at actuals).

For transactions not specified above, Audit Committee, while granting approval, shall in compliance with Rule 10C of the Income Tax Rules, determine the most appropriate method which is best suited to the facts and circumstances of the transaction, and which provides the most reliable measure of an arm's length price in relation to the transaction.

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;
- i) 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);
- ii) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- iii) 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.

- iv) the indicative base price / current contracted price and the formula for variation in the price, if any;
- v) material/ salient terms of the transaction / contract / arrangement
- vi) value of the transaction;
- vii) any advance paid or received for the transaction/ contract / arrangement, if any;
- viii) justification for entering into the transaction/ contract / arrangement, in case the transactions/ contract / arrangement are not at arm`s length basis;
- ix) 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.
- 8) The Audit Committee shall review the status of long-term (more than one year) or recurring RPTs at least on an annual basis.
- 9) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- 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;
- Material Related Party Transactions and subsequent material modifications thereto (other than transactions i) 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, or ii) 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, or iii) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company and the Central Government or any State Government or any combination thereof on the other hand)

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 i) 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, or ii) 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, or iii) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company and the Central Government or any State Government or any combination thereof on the other hand) 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.

Provided further that 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 Act or rules, notifications, or circulars issued thereunder from time to time.

Provided further that 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.

- 2) All **Related Party Transactions** (other than transactions i. 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, or ii) 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, or iii) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company and the Central Government or any State Government or any combination thereof on the other hand) 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) Information as placed before the Audit Committee in the format as specified in the RPT Industry Standards, to the extent applicable.
- (b) Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT.
- (c) Disclose the fact that the Audit Committee has reviewed the certificates provided by the CEO / Managing Director/ Whole Time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards.
- (d) Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.
- (e) Provide web-link and QR Code, through which shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.
- (f) The Audit Committee and Board of Directors, while providing information to the shareholders, can approve redaction of commercial secrets and such other information that would affect competitive position of listed entity and affirm that, in its assessment, the redacted disclosures still provide all the necessary information to the public shareholders for informed decision making.
- (g) 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 and transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company and the Central Government or any State Government or any combination thereof on the other hand.

(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 (as per Listing regulations)	Initial	Yes	No	No
	Non-material modifications	Yes (as per Clause 4.3.A.1 of the Policy)	No	No
	Material modifications	Yes	No	No
Material RPTs (as per Listing regulations)	Initial	Yes	Yes	Yes (Ordinary resolution)
	Non-Material modifications	Yes	No	No
	Material modifications	Yes	Yes	Yes (Ord. Res.)
Material RPTs in respect of a resolution plan approved under section 31 of the Insolvency		Yes	Yes	No

Transactions	Nature	Audit Committee	Board of Directors	Shareholders
Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.				
RPTs with wholly owned subsidiaries of Dabur India		Yes (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 (Ord. Res.)
All RPTs which are in the nature of payment of statutory dues/ fees/ charges entered into between the Company and the Central/ State Government on the other hand.		No	No	No

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

Transactions	Nature	Audit Committee	Board of Directors	Shareholders
RPTs below Rs. 1 Crore	Original and any modifications thereto	No	No	No
RPTs above Rs. 1 Crore but less than the following (as applicable) and the threshold for material related party transactions of Dabur India Limited as specified in Schedule XII (<i>enclosed as Annexure A</i>) of Listing Regulations: :	Original and any modifications thereto	No	No	No
<p><u>A-In case audited financial statements for a period of at least one year are available prior to approval date</u></p> <p>10% of the annual standalone turnover of such subsidiary, as per its last audited financial statements or</p> <p><u>B-In case audited financial statements for</u></p>				

Transactions	Nature	Audit Committee	Board of Directors	Shareholders
<p><u>a period of at least one year are not available prior to approval date</u></p> <p>10% of aggregate value of paid-up share capital and securities premium account of the subsidiary</p>				
<p>RPTs above Rs. 1 Crores and exceeding the following (as applicable) but less than the threshold for material related party transactions of Dabur India Limited as specified in Schedule XII (<i>enclosed as Annexure A</i>) of Listing Regulations:</p> <p><u>A-In case audited financial statements for a period of at least one year are available prior to approval date</u></p> <p>10% of the annual standalone turnover of such subsidiary, as per its last audited financial statements or</p> <p><u>B-In case audited financial statements for a period of at least one year are not available prior to approval date</u></p> <p>10% of aggregate value of paid-up share capital and securities premium account of the subsidiary</p>	Original	Yes	No	No
	Non-material modifications	Yes	No	No
	Material modifications	Yes	No	No
<p>RPTs exceeding the threshold for material related party transactions of Dabur India Limited as specified in Schedule XII (<i>enclosed as Annexure A</i>) of Listing Regulations.</p>	Original	Yes	Yes	Yes (Ord. Res.)
	Non-material modifications	Yes	No	No
	Material modifications	Yes	Yes	Yes (Ord. Res.)

Transactions	Nature	Audit Committee	Board of Directors	Shareholders
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 shall be reviewed by the Audit Committee.

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 into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
- (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 in terms of the provisions of sub-regulation (9) of the Listing regulations;
- (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 authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy, and shall be entitled to 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 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.

This Policy shall be reviewed by the Board of Directors at least once in every three years and updated accordingly.

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:

<i>Version 1:</i>	<i>Original policy dated 3.11.2014</i>
<i>Version 2:</i>	<i>First amendment dated 29.07.2015</i>
<i>Version 3:</i>	<i>Second amendment dated 28.10.2015</i>
<i>Version 4:</i>	<i>Third amendment dated 28.01.2016</i>
<i>Version 5:</i>	<i>Fourth amendment dated 27.07.2016</i>
<i>Version 6:</i>	<i>Fifth amendment dated 31.01.2019</i>
<i>Version 7:</i>	<i>Sixth amendment dated 02.02.2022 effective from 01.04.2022</i>
<i>Version 8:</i>	<i>Seventh amendment dated 30.01.2025</i>
<i>Version 9:</i>	<i>Eighth amendment dated 29.01.2026</i>

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

Schedule XII of Listing Regulations: RELATED PARTY TRANSACTIONS

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 following:

Consolidated Turnover of Listed Entity Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.