



D-LINK (INDIA) LIMITED

Related Party Transaction Policy

1. Preamble

The Board of Directors (the “Board”) of D-LINK INDIA LIMITED (the “Company” or “D-LINK”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below.

This policy will be 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 framed as per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. Definitions

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under provisions of SEBI LODR Regulations and Companies Act, 2013.

“Board” means Board of Directors of the Company, D-Link (India) Limited

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 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 Related Party Transaction” “Material Related Party Transaction” means all transactions with a Related Party shall be considered material if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company or Rs 1,000 crores, whichever is lower, based on the last audited financial statements.

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, exceeding 5% of the annual consolidated turnover as per the last audited financial statements of the Company.

“Policy” means Related Party Transaction Policy applicable with effect from April 2014 and as amended from time to time.

“Related Party” have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1) (zb) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended.

“Related Party Transaction” have the meaning as defined under Regulation 2(1)(zc) of the SEBI LODR Regulations, as amended from time to time, and accordingly shall mean transfer of resources, services or obligations between a listed entity and a related party, regardless of whether 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, including but not limited to the following;

- 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
- f) property.
- g) appointment to any office or place of profit in the company
- h) underwriting the subscription of any securities or derivatives thereof, of the company.

“Relative” shall have the same meaning assigned to in Section 2(77) of the Companies Act, 2013 and Rules prescribed there under.

“Material Modification” will mean & include any modification to an existing RPT having variance of 25% of the existing limit or Rs.1 crore whichever is higher, as sanctioned by the Audit Committee/ Shareholders, as the case may be.

4. Policy

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

4.1. Identification of Potential Related Party Transactions

Related parties shall be identified under Companies Act and the SEBI LODR Regulations 2015, as amended from time to time and regularly verified.

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request.

Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

4.2 Prohibitions related to Related Party Transactions

All Related Party Transactions (RPTs) and subsequent material modifications thereof entered by the Company & its subsidiaries shall require prior approval of the Audit Committee.

Further, all Material Related Party Transactions shall require approval of the shareholders through resolution and the Related Parties shall abstain from voting on such resolutions.

All Related Party Transactions of a subsidiary(ies) and subsequent material modifications, to which the Company is not a party, shall require prior approval of Audit Committee, if the value of such a transaction whether entered into individually or taken together with previous transactions during a financial year:

- exceeds 10% of the annual consolidated turnover, as per the last audited financial statements of the Company (upto March 31, 2023)
- exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary (w.e.f. April 1, 2023)

Further, only the Independent Directors who are members of the Audit Committee shall approve of the Related Party Transactions.

4.3. Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will 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 matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arms

length basis 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 Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an independent director.
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

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 considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

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

- i. Any transaction that involves the appointment and providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business. Remuneration and sitting fees paid to 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.
- ii. Payment of Dividend;

- iii. Transactions entered into between the company & any of its wholly owned subsidiary whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval;
- iv. Where the transactions are entered into by the company in its ordinary course of business and are on arms' length basis;

The Company and its subsidiaries may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions;

- The Audit Committee while granting omnibus approval shall consider the repetitiveness of the transactions (in past or in future) and justification for the need of such approval.
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
- The omnibus approval shall provide details of -
 - a) the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - b) the indicative base price/current contracted price and maximum value of transactions in aggregate which can be allowed under omnibus route in a year
 - c) such other conditions as the Audit Committee may deem fit from time to time

However, in case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs. 1 Crore per transaction.

Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:

- Transactions which are not at arm's length or not in the ordinary course of business
- Transactions which are not repetitive in nature.

The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company and its subsidiaries pursuant to each of the omnibus approval given.

5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee



shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

Ratification of Related Party Transactions:

Independent members of the audit committee can ratify related party transactions (RPTs) within three months of the transaction or the next audit committee meeting, whichever is earlier, if the transaction is not material, rationale for post-facto approval is provided, and details are disclosed.

Failure to ratify makes the transaction voidable at the audit committee's option, and directors involved may have to indemnify the company for any losses.

6. Amendments:

In the event of any conflict between the provisions of this Policy and of Listing Regulations/the Act or statutory enactments, rules, the provisions of such SEBI Listing Regulations/the Act or statutory enactments, rules shall prevail over this Policy.

The above policy is subject to review from time to time and at least once in every three years. The Chairman of Board and Audit Committee of the Company are jointly authorised to make changes to this Policy as they may deem fit and expedient, taking into account the law for the time being in force.

<i>Amendments</i>	<i>Dates</i>
	<i>May 29, 2021</i>
	<i>February 5, 2022</i>
	<i>February 07, 2025</i>
