

# RADAAN MEDIA WORKS INDIA LIMITED

CIN: L92111TN1999PLC043163

## RELATED PARTY TRANSACTIONS POLICY

### Introduction:

This policy is formed as a part of Corporate Governance Framework as per requirement of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### Scope:

This policy sets definition of materiality of related party transactions and aims to comply with the provisions of Regulation 23 of Listing Regulations and Section 188 of the Companies Act 2013 in dealing with related party transactions.

### Terms and references:

**"Material Related Party Transaction"** means a transaction with a related party will be considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten per cent of the annual consolidated turnover (or such other limit as may be specified under applicable laws / regulations, as the case may be) as per the last audited financial statements of the Company.

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 to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds five per cent of the annual consolidated turnover as per the last audited financial statements of the Company.

**"Material Modification"** means any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be, or such other limit as may be specified under applicable laws / regulations.

**"Transaction on arm's length basis"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determination of 'Arm's Length Basis', guidance may be taken from the provisions of Transfer Pricing under the Income Tax Act, 1961.

**"Transactions in the Ordinary Course of Business"** means activities that are necessary, normal, and incidental to the business.

The term **"Related Party"**, **"Related Party Transactions"** and other terms used in the policy but not defined hereunder will carry the meaning as stated under Listing Regulations read with the Companies Act, 2013 and Rules made thereunder.

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy

## **Policy**

All related party contract / arrangements shall be in compliance with the provisions of the Companies Act, 2013, Listing Regulations and applicable Accounting Standards, as amended from time to time, and be dealt with in accordance with this Policy.

### **1. Identification of Potential Related Party Transactions**

- (a) 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.
- (b) Each Director and Key Managerial Personnel shall make an annual declaration to the Company in the beginning of every financial year about related party entities and relatives and this declaration shall be placed before the Audit Committee and the Board of Directors at their first meeting held in the financial year. Any change in the list of related parties and relatives shall be intimated by the Directors and Key Managerial Personnel by way of a fresh declaration to the Company within 7 days of such change.

### **2. Review and Approval of Related Party Transactions**

#### **Audit Committee:**

- (a) The Company shall not enter into any contract or arrangement with a Related Party, other than wholly owned subsidiaries, without the prior approval of the Audit Committee.
- (b) Related Party Transactions with wholly owned subsidiaries in the ordinary course of business and at arm's length will be placed before the Audit Committee, as a measure of good governance.
- (c) Related Party Transactions will be referred to 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 shall abstain from the meeting during discussions and voting on the approval of the Related Party Transaction.
- (d) 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 rationale of the transaction, justification on arms' length/ in the ordinary course of business and the benefits to the Company and to the Related Party, and any other relevant matters like:

- The name of the related party and nature of relationship
- The nature, duration of the contract and particulars of the contract or arrangement
- The material terms of the contract or arrangement including the value, if any;
- Any advance paid or received for the contract or arrangement, if any;
- The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract.
- Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- Any other information relevant or important for the Board to take a decision on the proposed transaction.

Omnibus Approval:

- (a) The Audit Committee shall, after obtaining approval of the Board of Directors of the Company ('the Board'), specify the criteria for making omnibus approval for Related Party Transactions, which shall include the following:

- Maximum value of transactions, in aggregate, which can be allowed under the omnibus approval mechanism;
- Maximum value per transaction which can be allowed;
- Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- Review at such intervals as the Audit Committee may deem fit, of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval made;
- Transactions which cannot be covered under the omnibus approval mechanism.

- (b) Based on the criteria under (a) above, the Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature.

The Audit Committee may also grant omnibus approval for Related Party Transactions (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available.

- (c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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;

- (d) While assessing a proposal for approval under the omnibus mechanism, the Audit Committee shall satisfy itself on the need for such approval and that the same is in the interest of the Company.

(e) Transactions of the following nature are not to be subjected to the omnibus approval mechanism:

- Transactions which are not in the ordinary course of business or not at arm's length.
- Transactions which are not repetitive or unforeseen in nature.
- Transactions exceeding the threshold limits specified for omnibus approval.
- Transactions in respect of sale or disposal of the undertaking of the Company.
- Any other transaction as may be specified by the Audit Committee.

(f) Audit Committee shall review, at-least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

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

### **Board:**

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for the Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the principles set forth above for Audit Committee shall apply to the Board's review and approval of the matter, with such modifications as may be necessary or appropriate under the circumstances.

### **Shareholders:**

All Material Related Party Transactions and any subsequent material modification as defined earlier shall require prior approval of the shareholders through ordinary resolution. However, prior approval of shareholders of the Company shall not be required for such cases as may be prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended or as notified by any regulatory authority.

All the transactions, other than the Material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the Shareholders if so required under any law.

Related Party/ies shall not vote to approve such resolution, irrespective of whether they are party to the particular transaction or not.

### **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.

## **Powers of the Audit Committee**

The Audit Committee shall have the following powers with respect to Related Party Transactions:

- (i) To seek information from any employee
- (ii) To obtain outside legal or other professional advice
- (iii) To secure attendance of outsiders with relevant expertise, if it considers necessary
- (iv) To investigate any Related Party Transaction

## **Review:**

This Policy will be reviewed as and when required but at-least once in three years.