

# 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 SEBI (LODR) Regulations 2015 and Section 188 of the Companies Act 2013 in dealing with related party transactions.

### Terms and references:

**"Related Party"** means related party as defined under Section 2(76) of the Companies Act, 2013 and the rules framed thereunder or under the applicable accounting standards:

The following shall also be treated as the Related Party –

- a) all persons or entities forming part of promoter or promoter group (including entities over which the promoter or promoter group may have control or significant influence) irrespective of their shareholding;
- b) any person/entity holding equity shares in the listed entity, as below, either directly or on a beneficial interest basis at any time during the immediately preceding financial year to the extent of 10% or more.

**"Related Party Transaction or transaction ("RPT)"** means transaction in the nature of contract involving transfer of resources, services or obligations between the Company or its subsidiaries on one side and the Related Party on the other side, regardless of whether a price is charged.

Explanation: A "transaction" with a Related Party shall be construed to include single or a group of transactions in a contract.

The RPT shall include transactions between:

- a. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand;
- b. the Company 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 Company or any of its subsidiaries.

**"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) Every Related Party Transaction and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee.

Members of the Audit Committee, who are independent directors, shall only approve related party transactions.

(b) Omnibus Approval

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR as amended from time to time.

The Company shall place following information / documents before the Committee for its consideration of request for omnibus approval of Related Party Transactions:

- (i) Details of transaction(s) requiring omnibus approval;
- (ii) Need for such omnibus approval;
- (iii) Explanation as to how the transaction(s) is in the interest of the Company

The omnibus approval shall be valid for a period of one year from the date of approval.

Where the need for related party transaction(s) cannot be foreseen and specific details are not available, audit committee may grant omnibus approval for such transaction(s), subject to value of such transactions not exceeding rupees one crore per transaction.

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.

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

- a) Transactions which are not in the ordinary course of business or not at arm's length.
  - b) Transactions which are not repetitive or unforeseen in nature.
  - c) Transactions exceeding the threshold limits specified for omnibus approval.
  - d) Transactions in respect of sale or disposal of the undertaking of the Company.
  - e) Any other transaction as may be specified by the Audit Committee.
- (c) The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- (d) Prior approval of the Audit committee shall be required for:
- a. All RPTs and subsequent Material Modifications;
  - b. a related party transaction to which the Company's subsidiary is a party but the Company is not a party, 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 such subsidiary.

Provided that prior approval of the Audit Committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI LODR are applicable to such listed subsidiary.

Notwithstanding anything to the contrary in this Policy, 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 Regulation 23(1) of SEBI LODR;
- 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 Regulation 23(9) of SEBI LODR;
- 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 party related to any director, key managerial personnel and promoters, or is authorised by any other director, key managerial personnel and promoters, the concerned director, key managerial personnel and promoters shall indemnify the Company against any loss incurred by it.

**(e ) Omnibus Approval for RPTs of subsidiaries:**

- For RPTs entered into by subsidiaries where listed entity is not a party, omnibus approval of audit committee can be taken in line with omnibus approval undertaken by the listed entity.
- Audit committee need to set criteria for granting the omnibus approval.
- In addition to existing requirement of review of RPTs entered into by the Company on a quarterly basis, audit committee shall also review the RPTs of subsidiaries that were approved under omnibus route.
- Omnibus approval of audit committee of Company can be taken for unforeseen RPTs of subsidiaries (where Company is not a party).

(f) The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders, as per terms of this Policy.

**Approval of the Board and Shareholders**

All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company.

Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such RPT.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed in section 188 of the Act as amended from time to time shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

Further, the information as prescribed under the Companies Act, 2013 and/or the SEBI LODR, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and shareholders through Ordinary 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 further that the Related Party Transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval, shall not require approval of the audit committee, board or shareholders.

#### **Transactions which do not require approvals**

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party including following:

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; and
- iv) buy-back of securities.

c) retail purchases from the Company or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

d) The 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 provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI LODR.

### **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.

### **Disclosures:**

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

The Company shall submit information related to RPTs to the stock exchanges every six months, in the format specified by the SEBI LODR, simultaneously with the publication of financials and also publish the same on its website.

Provided that the 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 disclosure provided that the same is not material in terms of the provisions of sub regulation (1) of SEBI LODR.

The Company shall disclose policy on dealing with Related Party Transactions on its website and also in the Annual Report.

### **Policy Review:**

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI LODR.

In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations (“the Regulations”) which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the Regulations or as may be felt appropriate by

the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors.

Provided that this Policy shall be reviewed by the Board at least once every three years and shall be updated accordingly.

This Policy is lastly amended as per the recommendations of the Audit Committee and approved by the Board of Directors at their respective meetings held on 14<sup>th</sup> February 2025.