

# RADAAN MEDIA WORKS INDIA LIMITED

## RELATED PARTY TRANSACTIONS POLICY

The Board of Directors (the “Board”) of Radaan Mediaworks India Limited (the “Company” or “Radaan”), acting upon the recommendation of its Audit Committee (the “Committee”), has adopted at its meeting held on 14<sup>th</sup> November 2014 and shall come to effect immediately.

The Committee will review and may amend this policy from time to time.

### **Purpose**

This policy is framed as per the requirement of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and in terms of Section 188 of the Companies Act, 2013 and intended to ensure the proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

Any subsequent amendments/modifications in the Listing Agreement and /or other applicable in this regard shall automatically apply to this Policy.

Related Party Transactions are considered appropriate only if they are in the best interests of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements and in the Annual Report certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

### **Definitions**

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Clause 49 of the Listing agreement and Section 177 of the Companies Act, 2013.

“**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

“**Board**” means Board of Directors of the Company

“**Director**” means a director appointed to the Board of a company;

“**Key Managerial Personnel**” means Key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Managing Director, or Executive 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**” means any transaction individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the company.

**“Policy”** means Related Party Transaction Policy.

**“Related Party”** means related party as defined in Clause 49 of the Listing Agreement which is as follows:

An entity shall be considered as related to the Company if:

- (i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) such entity is a related party under the applicable accounting standards.

**“Related Party Transaction”** means transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged. A “transaction” shall be construed to include single transaction or a group of transactions in a contract

**“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 person as:
  - (a) Father (including step-father)
  - (b) Mother (including step-mother)
  - (c) Son (including step-son)
  - (d) Son’s wife
  - (e) Daughter
  - (f) Daughter’s husband
  - (g) Brother (including step-brother)
  - (h) Sister (including step-sister)

## **Policy**

Related Party Transactions must be approved and 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) All Related Party Transactions shall require prior approval of Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions as stated hereinafter.
- (b) 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.
- (c) 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.
- (d) 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:
  - (i) Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company;
  - (ii) Whether there are any compelling business reasons / rationale for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
  - (iii) Whether the Related Party Transaction would affect the independence of an independent Director;
  - (iv) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
  - (v) 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
  - (vi) 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 Committee deems relevant.

Omnibus Approval:

- (a) The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into with the Company which are repetitive in nature and are in the ordinary course of business, subject to fulfilling all other criteria set forth for approval of Related Party Transaction.
- (b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- (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;

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 crore per transaction.

- (d) Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- (e) 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 the Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Party/ies with whom transaction is to be entered shall abstain from voting on such resolution.

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 through special resolution if so required under any law and the Related Party/ies shall abstain from voting on such resolution.

### **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