Radico
SPIRIT OF EXCELLENCE

RELATED PARTY TRANSACTIONS POLICY

(Pursuant to Regulation 23(1) of the
SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. Preamble

The Board of Directors (the "Board") of Radico Khaitan Limited (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below.

2. Purpose

This policy is prepared in accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended and Section 177 and 188 of the Companies Act, 2013 (the "Act") read with the Rules made thereunder.

Regulation 23(1) of the Listing Regulations requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In the light of the above, the Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee.

3. Objective

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of the Listing Regulations and any other laws and regulations as may be applicable to the Company.

4. Definitions

4.1 **"Act"** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

4.2 **"Audit Committee or Committee"** means the Audit Committee of the Board of Directors of the Company constituted under Section 177 of the Act and Regulation 18 of the Listing Regulations.

4.3 **"Arm's Length Transaction"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

4.4 **"Board"** means Board of Directors of the Company.

4.5 **"Key Managerial Personnel"** means key managerial personnel as defined under Section 2(51) of the Act and includes:

i. Managing Director/ Chief Executive Officer/ Manager;
ii. Whole Time Director;
iii. Chief Financial Officer;
iv. Company Secretary; and
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.

4.6 **"Material Related Party Transaction"** means a Related Party Transaction which, when entered into individually or taken together with previous transactions during a financial year, exceeds the threshold limit specified in Schedule XII of the Listing Regulations, based on the annual consolidated turnover of the Company as per its last audited financial statements, as mentioned below:

Sl. No.	Consolidated Turnover of the Company	Threshold
1	Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the listed entity
2	More than Rs. 20,000 Crore to up to Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of the listed entity above Rs. 20,000 Crore
3	More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above Rs. 40,000 Crore or Rs. 5000 Crores (whichever is lower.)

Any transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s), when entered into individually or taken together with previous transactions during a financial year, exceeds five percent (50%) of the annual consolidated turnover as per the last audited financial statements of the Company.

4.7 **"Material Modification in related party transaction"** will mean and include any modification to an existing related party transaction having variance of 20% of the existing limit as approved by the Audit Committee / Board / Shareholders, as the case may be.

4.8 **"Ordinary course of business"** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per the Memorandum and Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

4.9 **"Policy"** means the policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions ("RPT Policy").

4.10 **"Related Party"** an entity/person shall be considered as a related to the Company if:

i. such entity/person is a related party under Section 2(76) of the Act; or
ii. such entity/person is a related party under applicable accounting standards.

Provided that:

a. any person or entity forming a part of the promoter or promoter group of the Company; or

b. any person or any entity, holding equity shares of ten percent (10%) or more in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time during the immediately preceding financial year;
shall be deemed to be a related party.

4.11 **"Related Party Transaction"** means a transaction involving a transfer of resources, services or obligations between:

i. 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; or
ii. 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;

regardless of whether a price is charged for such a transaction 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 a related party transaction:

i. 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;
ii. the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
   a. payment of dividend;
   b. sub-division or consolidation of securities;
   c. issuance of securities by way of a rights issue or a bonus issue; and
   d. buy-back of securities
iii. retail purchases from the Company or its subsidiary by the Directors or Key Managerial Personnel of the Company 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.

Any term or expressions used in the RPT Policy and not defined here shall have the meanings as defined, explained or detailed in the Listing Regulations, the Act, or any other SEBI Regulation, or in any statutory modifications or re-enactments thereof, Industry Standards/FAQs/Circulars/Clarifications issued by the SEBI from time to time, as the case may be.

5. Policy and Procedures

5.1 The ongoing transactions with various related parties are perused and approved by the Audit Committee from time to time. While such transactions are in the ordinary course of business and on an arm's length basis, yet any material modification(s) or fresh arrangement(s) with them shall be approved by the Audit Committee from time to time.

5.2 All related party transactions and subsequent material modification(s) thereto shall require prior approval of the Audit Committee.

5.3 Only those members of the Audit Committee who are Independent Directors shall approve Related Party Transactions.

5.4 A Related Party Transaction exceeding Rs. 1 crore, whether entered into individually or taken together with previous transactions during a financial year, to which a subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction exceeds the lower of the following:

i. ten percent (10%) of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
ii. the threshold for the material related party transactions of the Company as specified in Schedule XII of the SEBI Listing Regulations.

In the event where the Subsidiary of the Company does not have audited financial statements for a period of at least one-year, prior approval of the Audit Committee shall be obtained if the value of transaction exceeds lower of the following:

i. ten percent (10%) 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 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.

5.5 The approval of the Audit Committee of the Company shall not be required for:

i. transactions entered into between the Company and its wholly owned subsidiaries or between two wholly owned subsidiaries of the Company, whose accounts are consolidated with that of the Company and placed before the shareholders at the general meeting for approval;
ii. a related party transaction to which the listed subsidiary of the Company is a party, but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of the Listing Regulations are applicable to such listed subsidiary;
Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.
iii. Remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except where such person is part of the promoter or promoter group, shall not require approval of the Audit Committee, provided the same is not material in terms of sub-regulation (1) of Regulation 23 of the Listing Regulations.

5.6 The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary, subject to the following conditions:

i. such approval shall be applicable in respect of transactions which are repetitive in nature;
ii. the Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;
iii. the omnibus approval shall specify:

a. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into
b. the indicative base price / current contracted price and the formula for variation in the price, if any; and
c. 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, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

iv. Such omnibus approval referred above shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of said financial year.

5.7 The Audit Committee shall review at least on a quarterly basis; the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given and shall also review the status of long-term (more than one year) or recurring related party transactions on an annual basis.

5.8 In the event of any contract or arrangement with a related party is not in the ordinary course of business or at an arm's length, the Company shall comply with the provisions of the Act and the Rules framed thereunder and obtain approval of the Board or its shareholders as applicable, for such contract or arrangement

5.9 The Board shall from time to time approve the threshold limits for transactions with related party(ies) to be entered into by the Company.

5.10 All Material Related Party Transactions and subsequent material modifications thereto, other than transactions between the Company and its wholly owned subsidiaries and 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, shall be placed before the shareholders of the Company for prior approval by resolution.

No related party shall vote to approve such resolution(s), irrespective of whether such related party is a party to the particular transaction or not.

Provided that prior approval of the shareholders of the Company shall not be required for a Related Party Transaction to which a listed subsidiary is a party, but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of the SEBI Listing Regulations are applicable to such listed subsidiary.
Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

The omnibus approval granted by the shareholders for material related party transactions in an Annual General Meeting ("AGM") shall be valid till the date of the next AGM held within the timelines prescribed under Section 96 of the Act, or rules, notifications, or circulars issued thereunder from time to time; and

In case of omnibus approvals for material related party transactions, granted by shareholders in General Meetings other than AGM, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

5.11 While approving Related Party Transactions, the Audit Committee shall consider, inter alia:

i. whether the transaction is fair to the Company;
ii. whether all material facts regarding the transaction and the parties involved have been placed before the Audit Committee;
iii. whether the transaction is generally available from an unrelated third party under the same or similar circumstances and on comparable terms; and
iv. the extent of the related party's interest in the transaction.

5.12 The agenda of the Audit Committee / Board meeting at which any resolution pertaining to a related party transaction is proposed to be moved and/or the explanatory statement to be annexed to the notice of a general meeting convened for the purpose of seeking approval of shareholders for entering into related party transactions shall disclose the information/details as may be specified under the Act, the Listing Regulations, applicable SEBI circulars, and the Industry Standards on minimum information to be provided to the Audit Committee and shareholders for approval of related party transactions, as amended from time to time.

5.13 Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

5.14 Where, owing to exigencies, Related Party Transactions have been executed without being placed for prior approval before the Audit Committee of the Company, the members of the Audit Committee who are Independent Directors may ratify such Related Party Transactions within three months from the date of the transaction or at the immediately 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 regulation 23 of Listing Regulations;
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 Regulation 23 of Listing Regulations;
v. any other condition as specified by the Audit Committee.

Failure to seek ratification from 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.

5.15 The Company shall disclose this Policy on Related Party Transactions on its website, and a web-link thereto shall be provided in the Annual Report.

5.16 The Company shall submit to the Stock Exchange(s) disclosures of related party transactions, in the format and within the timelines specified in the Listing Regulations and/or by the Stock Exchange(s) from time to time, and shall publish the same on its website, if required under applicable law.

However, remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except where such person is part of the promoter or promoter group, shall not be disclosed to the Stock Exchange(s), provided the same is not material in terms of sub-regulation (1) of Regulation 23 of the Listing Regulations.

6. Review

The Board shall have the power to amend any of the provisions of the RPT Policy, substitute any of the provisions with a new provision or replace the Policy entirely with a new Policy and the Policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

In the event of any inconsistency between the RPT Policy and the applicable laws, the applicable laws will prevail. Any subsequent amendment/ modification in the SEBI Listing Regulations and/or applicable laws in this regard shall automatically apply to the RPT Policy.

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Last amended on 6th May 2026.