POLICY ON RELATED PARTY TRANSACTION

ADCOUNTY MEDIA INDIA LIMITED

1. INTRODUCTION

AdCounty Media India Limited (the "Company") has always been committed towards maintaining robust corporate governance standards and ensuring transparency, fairness and accountability in all its business dealings.

As a part of its business activities, the Company may enter into transactions with entities and persons who are Related Parties. The Company recognizes that Related Party Transactions ("RPTs") may have potential or actual conflicts of interest and may raise questions as to whether such transactions are consistent with the interests of the Company and its shareholders.

The Company shall undertake Related Party Transactions in compliance with the provisions of the Companies Act, 2013 ("Act"), the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, and other applicable laws, rules, regulations, circulars and guidelines.

All Related Party Transactions, as defined in this Policy, shall be subject to review and approval in accordance with the procedures set forth below.

The Board of Directors has determined that the Audit Committee of the Company is best suited to review and approve Related Party Transactions in accordance with applicable laws.

2. OBJECTIVES

The Companies Act, 2013, together with the Rules notified thereunder, Regulation 23 of the Listing Regulations, and related circulars, clarifications, guidelines and notifications issued thereunder (collectively referred to as the "Applicable Laws"), provide a framework for regulating transactions with Related Parties.

This Policy has been framed to ensure that:

a. Related Party Transactions are undertaken in compliance with Applicable Laws;
b. Related Party Transactions are undertaken in a fair, transparent and arm's length manner, wherever applicable;
c. adequate procedures are established for identification, review, approval and disclosure of Related Party Transactions;
d. the interests of the Company and its shareholders are protected;
e. appropriate mechanisms are established for dealing with material Related Party Transactions and Material Modifications thereto; and
f. necessary records and disclosures relating to Related Party Transactions are maintained and made in accordance with Applicable Laws.

This Policy shall operate within the framework of the Applicable Laws and shall be interpreted accordingly.

3. APPLICABILITY

This Policy shall apply to AdCounty Media India Limited and, to the extent prescribed under Applicable Laws, to its subsidiaries and other entities within the group.

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The provisions of Regulation 23 of the Listing Regulations shall apply to the Company in accordance with the applicability provisions prescribed for entities listed on the SME Exchange.

Where Regulation 23 becomes applicable to the Company, the Company shall comply with all applicable requirements relating to Related Party Transactions, including approval by the Audit Committee, materiality, shareholders' approval, disclosures and transactions undertaken by subsidiaries, as applicable.

In case of any amendment to the Applicable Laws, the amended provisions shall prevail over this Policy to the extent applicable.

4. DEFINITIONS

4.1 "Act" means the Companies Act, 2013, including the rules, regulations, schedules, notifications, circulars, clarifications and amendments issued thereunder from time to time.

4.2 "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.

4.3 "Audit Committee" means the Audit Committee of the Board of Directors of the Company constituted in accordance with the provisions of the Act and the Listing Regulations.

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

4.5 "Control" shall have the meaning assigned to it under the Applicable Laws, including the Listing Regulations and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

4.6 "Material Related Party Transaction" shall have the meaning assigned to it under Regulation 23 of the Listing Regulations, as amended from time to time.

For the purpose of the Company, where Regulation 23 is applicable, a Related Party Transaction shall be considered material where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed the threshold prescribed under Regulation 23 of the Listing Regulations, being the lower of:

a. ₹50 crore; or

b. 10% of the annual consolidated turnover of the Company as per the last audited financial statements,

or such other threshold as may be prescribed under Applicable Laws from time to time.

4.7 "Material Modification" means any modification to an existing Related Party Transaction which results in an increase of 5% or more in the originally approved transaction value or any modification to other material terms, including non-financial terms such as credit period, scope of contract, tenure or other significant commercial terms, as may be specifically determined by the Audit Committee.

Any modification required solely pursuant to an amendment to Applicable Laws shall not, by itself, be regarded as a Material Modification.

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4.8 "Ordinary Course of Business" means activities which are part of the regular business of the Company and include activities which are usual, customary, routine, incidental to or related to the Company's business.

4.9 "Policy" means this Policy on Materiality of Related Party Transactions, as amended from time to time.

4.10 "Related Party" shall have the meaning assigned to such term under Section 2(76) of the Act read with the applicable rules made thereunder and Regulation 2(1)(zb) of the Listing Regulations, as amended from time to time.

Where there is any difference between the definitions under the Act and the Listing Regulations, the broader definition applicable to the relevant transaction shall be considered for compliance purposes.

4.11 "Related Party Transaction" shall have the meaning assigned to such term under Section 188 of the Act and Regulation 2(1)(zc) of the Listing Regulations, as applicable from time to time.

The term shall include a transaction involving a transfer of resources, services or obligations 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; or

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,

whether or not a price is charged.

The term "Related Party Transaction" shall include a single transaction or a group of transactions in a contract, as applicable under the Listing Regulations.

5. EXEMPTION FROM COVERAGE OF RELATED PARTY TRANSACTIONS

The following transactions shall be excluded from the scope of Related Party Transactions to the extent specifically excluded under the Listing Regulations or other Applicable Laws:

a. transactions involving the issue of specified securities on a preferential basis, subject to compliance with the applicable requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

b. corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding, including:

i. payment of dividend;
ii. subdivision or consolidation of securities;
iii. issuance of securities by way of rights issue or bonus issue; and
iv. buy-back of securities;

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c. such other transactions as may be specifically exempted under Applicable Laws from time to time.

Notwithstanding the above, the Audit Committee or the Board may require any such transaction to be placed before it for review if considered appropriate.

6. PROCEDURE FOR IDENTIFICATION OF RELATED PARTIES

a. The Company shall identify and maintain an updated record of Related Parties in accordance with Applicable Laws.

b. The Company shall obtain disclosures from its Directors, Key Managerial Personnel and such other persons as may be required under Applicable Laws regarding their Related Parties and interests.

c. Each subsidiary of the Company shall furnish to the Company an updated list of its Related Parties and such other information as may be required for monitoring Related Party Transactions.

d. The list of Related Parties shall be updated whenever there is any change and shall be reviewed at least once every quarter.

e. Any subsequent change in the list of Related Parties shall be incorporated in the records of the Company within the period prescribed under Applicable Laws or, where no specific period is prescribed, as soon as reasonably practicable.

f. The Company shall maintain adequate records to identify transactions which may constitute Related Party Transactions under the Act or Listing Regulations.

7. PROCEDURE FOR APPROVAL AND REVIEW OF RELATED PARTY TRANSACTIONS

A. Approval of Audit Committee

a. All Related Party Transactions and Material Modifications thereto shall require prior approval of the Audit Committee, to the extent required under Applicable Laws.

b. The Audit Committee shall consider all relevant facts and circumstances while reviewing a proposed Related Party Transaction.

c. The information placed before the Audit Committee shall include, to the extent applicable:

i. name of the Related Party;

ii. nature of relationship;

iii. nature, material terms and particulars of the proposed transaction;

iv. value of the proposed transaction;

v. expected duration of the transaction;

vi. basis for pricing and other commercial terms;

vii. whether the transaction is in the Ordinary Course of Business;

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viii. whether the transaction is at Arm's Length;

ix. business rationale for entering into the transaction;

x. details of any potential conflict of interest;

xi. such other information as may be required under Applicable Laws or as considered relevant by the Audit Committee.

d. The Audit Committee may call for such additional information and documents as it may consider necessary for evaluating the proposed Related Party Transaction.

e. In determining whether to approve a Related Party Transaction, the Audit Committee may consider:

i. whether the transaction is in the Ordinary Course of Business;

ii. whether the transaction is on an Arm's Length basis;

iii. whether the transaction is in the interest of the Company;

iv. whether there are adequate business reasons and commercial justification;

v. whether comparable alternatives are available;

vi. whether the transaction may result in any potential reputational or regulatory risk; and

vii. whether the transaction may result in any conflict of interest.

f. A member of the Audit Committee who is interested in a Related Party Transaction shall not participate in the review or approval of such transaction, to the extent required under Applicable Laws.

g. Where required under Applicable Laws, the Audit Committee shall review and approve Related Party Transactions entered into by subsidiaries, including transactions where the Company is not itself a party.

8. OMNIBUS APPROVAL BY AUDIT COMMITTEE

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company, subject to the provisions of Applicable Laws and the following conditions:

a. the transactions are repetitive in nature or are reasonably foreseeable;

b. the Audit Committee is satisfied that the omnibus approval is required and is in the interest of the Company;

c. the transactions are in the Ordinary Course of Business and at Arm's Length, wherever applicable;

d. the omnibus approval shall specify, to the extent applicable:

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i. name of the Related Party;

ii. nature of the transaction;

iii. period of the transaction;

iv. maximum aggregate value of the transaction during the financial year;

v. maximum value per transaction;

vi. indicative base price/current contracted price and the formula for variation in price, if any;

vii. such other conditions as the Audit Committee may deem fit.

e. Where the need for a Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval subject to the value of such transaction not exceeding ₹1 crore per transaction, or such other limit as may be prescribed under Applicable Laws from time to time.

f. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into pursuant to each omnibus approval.

g. The omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after expiry of such period.

h. The Audit Committee shall not grant omnibus approval for transactions which cannot legally be covered under omnibus approval under Applicable Laws, including transactions relating to sale or disposal of an undertaking, wherever applicable.

i. Omnibus approval shall not be used as a substitute for specific prior approval where the transaction requires specific approval under Applicable Laws.

9. APPROVAL OF BOARD OF DIRECTORS

Where approval of the Board is required under Section 188 of the Act or any other Applicable Law, the Related Party Transaction shall be placed before the Board for its consideration and approval.

The Board shall consider, among other matters:

a. nature and terms of the transaction;
b. value and duration of the transaction;
c. nature of relationship with the Related Party;
d. whether the transaction is in the Ordinary Course of Business;
e. whether the transaction is at Arm's Length;
f. pricing methodology and commercial terms;
g. business rationale for entering into the transaction; and
h. such other factors as may be relevant.

Any Director who is interested in the Related Party Transaction shall not participate in the discussion or voting on the transaction to the extent required under Applicable Laws.

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Where the Related Party Transaction is required to be approved by the shareholders, the Board shall recommend the transaction to the shareholders after obtaining the necessary approval of the Audit Committee.

10. APPROVAL OF SHAREHOLDERS

a. All Material Related Party Transactions and Material Modifications thereto shall require prior approval of the shareholders in accordance with Regulation 23 of the Listing Regulations, where applicable.

b. The Audit Committee and the Board shall approve the applicable Material Related Party Transaction before recommending the same to the shareholders.

c. No Related Party shall vote to approve a resolution relating to a Material Related Party Transaction or Material Modification thereto, whether or not such Related Party is a party to the particular transaction, except to the extent specifically permitted under Applicable Laws.

d. Related Party Transactions covered by Section 188 of the Act shall also require shareholders' approval wherever required under the Act and the rules made thereunder.

e. For transactions requiring shareholders' approval under Section 188, the voting restrictions and other conditions prescribed under the Act shall apply.

f. The Company shall ensure that the notice of the general meeting contains all information required under Applicable Laws for enabling shareholders to take an informed decision.

11. RELATED PARTY TRANSACTIONS INVOLVING SUBSIDIARIES

Where a subsidiary of the Company enters into a Related Party Transaction, the Company shall ensure compliance with the applicable provisions of Regulation 23 and other Applicable Laws.

In particular:

a. Related Party Transactions entered into by a subsidiary where the Company is also a party shall be considered in accordance with the applicable approval requirements of the Audit Committee and other authorities.

b. Related Party Transactions entered into by a subsidiary where the Company is not a party shall be placed before the Audit Committee of the Company where required under Regulation 23 and Applicable Laws.

c. The applicable threshold for such transactions shall be determined in accordance with the Listing Regulations, including the prescribed threshold based on the standalone turnover of the subsidiary and the applicable monetary threshold for SME-listed entities, wherever applicable.

d. Where a subsidiary does not have the required financial track record, the applicable threshold shall be determined in accordance with the mechanism prescribed under Applicable Laws.

e. The Company shall obtain sufficient information from its subsidiaries to enable the Audit Committee and Board to discharge their responsibilities in relation to Related Party Transactions.

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12. MATERIAL RELATED PARTY TRANSACTIONS

Where Regulation 23 is applicable to the Company, a Related Party Transaction shall be treated as material where the aggregate value of the transaction(s) entered into individually or taken together with previous transactions during a financial year exceeds the applicable threshold prescribed under Regulation 23.

For the present framework applicable to SME-listed entities, the threshold shall be the lower of:

₹50 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, subject to amendments under Applicable Laws.

The materiality threshold shall be reviewed whenever the Applicable Laws are amended or whenever the Company's financial information results in a change in the applicable threshold.

13. MATERIAL MODIFICATIONS

a. All Material Modifications to an existing Related Party Transaction shall require prior approval of the Audit Committee.

b. Where the original transaction was a Material Related Party Transaction requiring shareholders' approval, a Material Modification thereto shall also require prior shareholders' approval where required under Applicable Laws.

c. For the purpose of this Policy, a modification resulting in an increase of 5% or more in the originally approved transaction value shall ordinarily be considered a Material Modification.

d. Modifications to material commercial or non-financial terms, including tenure, scope, credit period, pricing methodology or other significant contractual terms, may also be treated as Material Modifications where determined by the Audit Committee.

e. Modifications required solely to comply with changes in Applicable Laws shall not, by themselves, be considered Material Modifications.

14. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

The Company shall endeavour to ensure that all Related Party Transactions requiring approval under this Policy are approved prior to entering into or consummating the transaction.

In the event the Company becomes aware of a Related Party Transaction that has been entered into without the required prior approval, the matter shall be placed before the appropriate authority at the earliest possible opportunity and dealt with in accordance with Applicable Laws.

Any ratification or post-facto approval shall be undertaken only to the extent specifically permitted under Applicable Laws.

Nothing in this Policy shall be interpreted as permitting the Company to enter into an RPT without the prior approval required under Regulation 23 or as curing any non-compliance with a mandatory prior approval requirement merely by obtaining subsequent approval.

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Where a transaction cannot be ratified or is otherwise not permissible under Applicable Laws, the Company shall take such corrective action as may be required, including modification, discontinuation, rescission or other appropriate action.

Where a contract or arrangement has been entered into by a Director or employee without obtaining the required consent and is not ratified within the period prescribed under Section 188 of the Act, the consequences prescribed under the Act shall apply.

15. DISCLOSURE OF RELATED PARTY TRANSACTIONS

The Company shall make all disclosures relating to Related Party Transactions as required under the Act, Listing Regulations and applicable SEBI circulars.

The Company shall, where Regulation 23 is applicable:

a. submit disclosures of Related Party Transactions to the stock exchange(s) in the format and within the timelines prescribed by SEBI;

b. publish the disclosures on its website as required under Applicable Laws;

c. make disclosures in the financial statements and Board's Report, wherever required;

d. disclose transactions with Related Parties in the manner prescribed under applicable accounting standards;

e. make such other disclosures as may be prescribed by SEBI, stock exchanges or any other statutory authority.

16. REPORTING AND RECORD KEEPING

The Company shall maintain appropriate records of:

a. the list of Related Parties;
b. Related Party Transactions;
c. approvals granted by the Audit Committee;
d. omnibus approvals;
e. Board approvals;
f. shareholders' approvals;
g. Material Modifications;
h. disclosures made to the stock exchanges; and
i. such other documents as may be required under Applicable Laws.

The Company shall ensure that adequate systems and procedures are maintained to identify Related Party Transactions before they are entered into.

17. REVIEW OF RELATED PARTY TRANSACTIONS

The Audit Committee shall review Related Party Transactions periodically in accordance with Applicable Laws.

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Transactions entered into pursuant to omnibus approvals shall be reported to the Audit Committee on a quarterly basis for its noting and review.

The Board shall periodically review the consolidated list of transactions with Related Parties and such other information as may be placed before it.

18. POLICY REVIEW

The Board of Directors shall review this Policy at least once in every three years and update the same accordingly.

The Policy may also be reviewed earlier if:

a. there is any amendment in the Act;
b. there is any amendment in the Listing Regulations;
c. there is any amendment in applicable SEBI circulars or guidelines;
d. there is any change in the business or organizational structure of the Company requiring modification; or
e. the Audit Committee or Board considers it necessary or appropriate.

In case of any subsequent changes in the provisions of the Act, Listing Regulations or other Applicable Laws, the amended provisions shall prevail over this Policy.

19. DISCLOSURE ON WEBSITE

A copy of this Policy, including amendments thereto, shall be hosted on the website of the Company in accordance with Applicable Laws.

The web link to this Policy shall be disclosed in the Annual Report and such other documents as may be required under Applicable Laws.

20. GENERAL

Nothing contained in this Policy shall override any provision of the Act, Listing Regulations, SEBI circulars, notifications, rules, accounting standards or any other Applicable Law.

In case of any conflict between this Policy and Applicable Laws, the provisions of the Applicable Laws shall prevail.

The Company shall comply with any additional requirement prescribed by SEBI, BSE Limited, the Ministry of Corporate Affairs or any other competent authority from time to time.

This Policy shall be interpreted and administered in accordance with the Applicable Laws as amended from time to time.

AdCounty Media India Limited
Jaipur