



**POLICY ON
RELATED PARTY TRANSACTION(S)**

Policy on Related Party Transaction(s)

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I. INTRODUCTION

The Board of Directors (the “Board”) of Picturehouse Media Limited (the “Company” or “PHML”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Board/ Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company effective from October 1, 2014. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.

II. TITLE

This Policy shall be called the PHML – Policy on Related Party Transaction(s) (hereinafter referred as the “Policy on RPTs”).

III. SCOPE

Security Exchange Board of India (SEBI), Circular Dated 17 April 2014, has amended the clause 49 of the listing agreement entered into by the company with the Stock Exchanges. The Amended clause 49 requires all listed companies to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

This policy has been framed for complying with the above requirement and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

IV. APPLICABILITY

The Policy shall apply to all Related Party Transactions undertaken by the Company with the Related Party(ies) in accordance with the clauses contained herein with immediate effect.

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V. OBJECTIVE

The objective of framing this RPT Policy is to ensure that all transactions by and between a Related Party (as defined below) and Picturehouse Media Limited (the "Company") are properly identified and reviewed to ensure that Related Party Transactions (as defined below) are properly approved and disclosed in accordance with the applicable law.

VI. DEFINITIONS & INTERPRETATIONS

Definitions:

The terms defined in this RPT Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of Listing Agreement including any statutory modifications or reenactments thereof.

"Act" means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

"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.

"Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

'Significant Influence' means control of at least 20% of the total share capital or of business decisions under an agreement.

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company under provisions of Listing agreement and Companies Act, 2013, from time to time.

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

"Company" means Picturehouse Media Limited.

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“Key Managerial Personnel (KMP)” or “Key Management Personnel” means Key Managerial Personnel as defined under the Companies Act, 2013 and the Rules made thereunder.

“Material Related Party Transactions”: Transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

“Policy” means Policy on Related Party Transaction(s).

“Related Party” in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2 (76) of the Companies Act, 2013 and / or the applicable accounting standards.

“Related Party Transactions” in relation to the Company means a transaction which is:

- a) a transfer of resources, services or obligations between the Company and a related party regardless of whether a price is charged;
- b) a contract or arrangement with a related party with respect to-
 - i) sale, purchase or supply of any goods or materials;
 - ii) selling or otherwise disposing of, or buying property of any kind;
 - iii) leasing of property of any kind;
 - iv) availing or rendering of any services;
 - v) appointment of any agent for purchase or sale of goods, materials, services or property;
 - vi) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - vii) underwriting the subscription of any securities or derivatives thereof, of the company;

Note: A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

“Relative” means Relative as defined under the Companies Act, 2013.

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“**Turnover or Net Worth**” means turnover or net-worth calculated on the basis of the Audited Financial Statement of the preceding financial year.

Interpretation:

- a) Any words used in this policy but not defined herein shall have the same meaning as prescribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company.
- b) The reference to the male gender in the Policy shall be deemed to include a reference to female gender.
- c) In case of any dispute or difference upon the meaning / interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term / provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

VII. POLICY

The policy elucidates the Related Party Transaction(s) as governed by the Listing Agreement and the Companies Act, 2013 and process required for obtaining approval of Audit Committee and/or Shareholders as the case may be.

VIII. APPROVAL

- a) **All Related Party Transactions including transactions in the ordinary course of business and at arm’s length basis** - Approval of Audit Committee shall be obtained.
- b) **If Related Party Transaction is not at arm’s length and/or not in the ordinary course of business** - Approval of the Audit Committee shall be obtained. Further, such transactions shall also be placed before the Board of Directors of the Company.
- c) **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 following conditions:

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- Such approval shall be applicable in respect of transactions which are repetitive in nature.
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- 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.

- 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.
 - Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- d)** Such Related party transactions including transactions for which omnibus approval have been granted by the Audit Committee shall be placed before the Board.
- e)** **If Related Party Transaction is material i.e.,** if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company then approval of Shareholders through Special Resolution is required. However, the related parties shall abstain from voting on such resolutions.

Further, in addition to above mentioned transactions, the Company shall obtain Shareholders' approval for such RPTs as prescribed under Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.

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IX. EXEMPTIONS:

- a) Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- b) In case of wholly owned subsidiary of Picturehouse Media Limited, the special resolution passed by Picturehouse Media Limited shall be sufficient for the purpose of entering into the transactions between wholly owned subsidiary and Picturehouse Media Limited.
- c) Any advice, directions or instructions given in a professional capacity does not attract the provisions of Related Party Transactions.

X. PROCEDURE:

- a) All proposed Related Party Transactions shall be disclosed to the Audit Committee for its approval prior to the Company entering into such a transaction.
- b) Related Party Transactions shall be reviewed by the Audit Committee to ensure a conflict of interest does not exist or that an improper valuation of such transaction is not made and that all information necessary to disclose such Related Party Transaction is properly documented.
- c) The Audit Committee shall have authority to investigate into any matter in relation to the approval or any subsequent modification of transactions of the Company with related parties or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
- d) All the Related Party Transactions as approved by the Audit Committee, shall also be placed before the Board of Directors. .
- e) The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-
 - i) the name of the related party and nature of relationship;
 - ii) the nature, duration of the contract and particulars of the contract or arrangement;
 - iii) the material terms of the contract or arrangement including the value, if any;
 - iv) any advance paid or received for the contract or arrangement, if any;
 - v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
 - vi) 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

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vii) any other information relevant or important for the Board to take a decision on the proposed transaction.

g) 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. All related parties shall abstain from voting on such resolutions.

Further, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

h) The following particulars shall be disclosed to the Audit Committee/Board of Directors at the time of giving omnibus approval:

- 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.

i) The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 101 shall contain the following particulars namely:-

- i) name of the related party;
- ii) name of the director or key managerial personnel who is related, if any;
- iii) nature of relationship;
- iv) nature, material terms, monetary value and particulars of the contract or arrangement;
- v) any other information relevant or important for the members to take a decision on the proposed resolution.

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XI. AMENDMENT

This Policy may be amended by the board on its own and/or on recommendation of Audit Committee at any time and is subject to the

- a) amendments to the Companies Act, 2013 and
- b) further guidelines and enactments by the SEBI, including Listing Agreement.

XII. DISCLOSURE

The Company shall disclose the policy on dealing with Related Party Transactions on its website viz., www.pvpcinema.com or such other domain name as may be used the Company from time to time. Furthermore all the related party transactions shall be disclosed in the Annual Report of the Company every year.

The Company will also disclose the details of all Material Related Party Transactions on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges under clause 49 of the Listing agreement.

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