

**POOJA ENTERTAINMENT AND FILMS LIMITED**  
**CIN : L99999MH1986PLC040559**  
**POLICY ON RELATED PARTY TRANSACTION**

## **INTRODUCTION:**

The Board of Directors (the "Board") of Pooja Entertainment and Films Limited (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below, in compliance with requirement of Section 188 of the Companies Act, 2013 read with Rules made thereunder and Clause 49 of Listing Agreement. The said policy includes materiality thresholds and manner of dealing with Related Party Transactions in compliance with the requirements of the Act and Clause 49 of the Listing Agreement and amendments made thereto from time to time.

## **SCOPE :**

This policy shall be applied in:

- i. Identifying Related Parties, updating and maintaining the database of such Related Parties;
- ii. Identifying Related Party Transactions;
- iii. Identifying whether the Related Party Transactions are in Ordinary Course of Business and at Arms' Length in relation to the Related Parties;
- iv. Obtaining approval before entering into the Related Party transactions;
- v. Documenting the Arms' Length pricing of transactions and
- vi. Determining the disclosures to be made about these transactions.

## **DEFINITION:**

"Act" means the Companies Act, 2013 and the Rules framed thereunder including any modifications, amendments, clarifications , circulars or re-enactments thereof from time to time.

"Audit Committee or Committee" shall have the same meaning as defined under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

"Board" means Board of Directors of the Company.

"Company" means POOJA ENTERTAINMENT AND FILMS LIMITED.

"Control" shall have the same meaning as defined under the Companies Act, 2013 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011, in the context as may be mentioned.

"Policy" means the current Policy on Related Party Transaction, including amendments, if any from time to time.

"Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013.

"Related Party" means a related party as defined under the Act read with Clause 49 of the Listing Agreement and as amended from time to time.

**“Related Party Transaction”** means any transaction defined under the Act, rules made thereunder the Act and clause 49 of the Listing Agreement from time to time.

**“Relatives”** means a relative as defined under the Act.

**“Arm’s length transaction”** means a reported transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

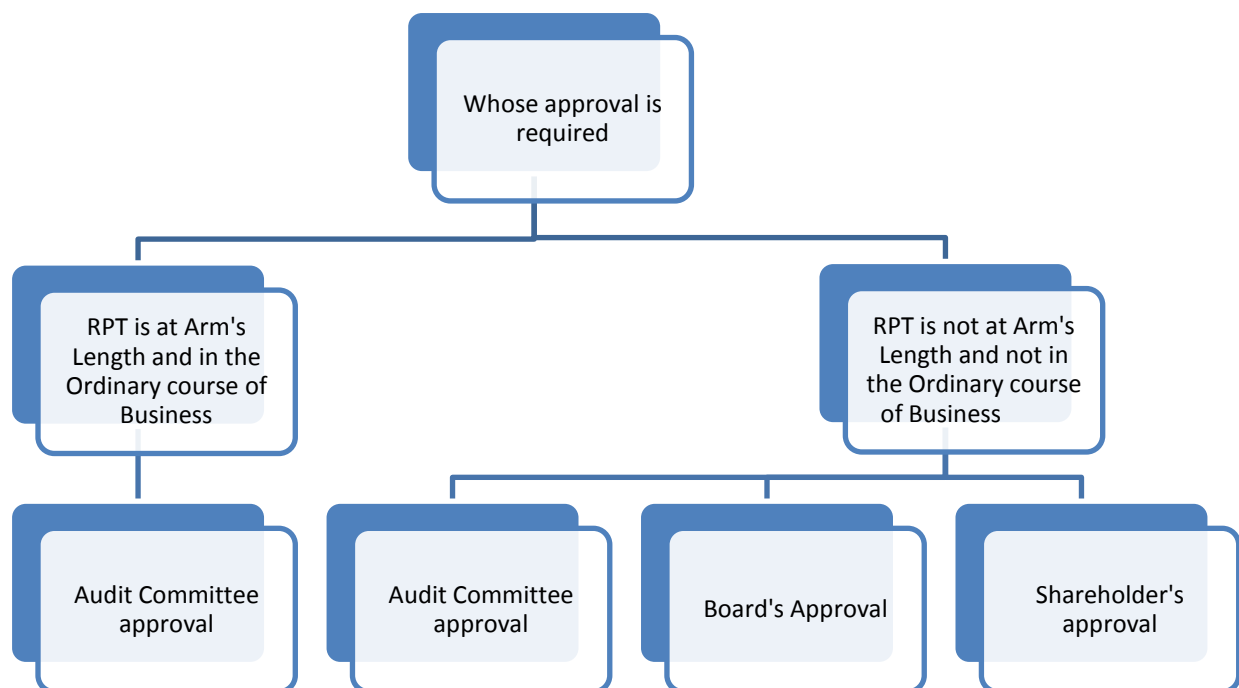
**“Material Related Party Transaction”** means the reported transaction / transactions to be entered into individually or taken together with previous reported transactions during a financial year, **exceeds ten percent of the annual consolidated turnover of the company** as per the last audited financial statements of the Company.

**IDENTIFICATION OF RELATED PARTIES:**

Each Director and Key Managerial Personnel is responsible for providing notice to the Audit/Board 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. The Board/ Audit Committee will determine whether the Transaction does in fact, constitute a Related Party Transaction requiring compliance with the Policy.

Every Director, Key Managerial Personnel and connected Related Parties shall at the beginning of the financial year disclose to the Company Secretary of the Company their Related Parties and disclose any changes thereto during the financial year as immediately as practicable.

**AUDIT COMMITTEE/ BOARD/ SHAREHOLDER APPROVAL MECHANISM FOR ENTERING INTO RELATED PARTY TRANSACTION**



➤ **Approval of Audit Committee for reported Related Party Transactions:**

Prior approval of Audit Committee is required to be taken for entering into reported transaction with a Related Party. The Audit Committee may grant approval or ratification in accordance with provisions of the Companies Act, 2013 read with the Rules made there under and Clause 49 of the Listing Agreement.

Any member of the Committee who has a potential interest in any reported Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

➤ **Approval of the Board for reported Related Party Transactions:**

Consent of the Board would be taken in respect of all reported related party transaction, except in the cases where the reported transactions entered into by the Company in its ordinary course of business and are on an arm's length basis.

Any member of the Board who has a potential interest in any reported Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

➤ **Approval of the shareholders for reported Related Party Transactions:**

All reported Material Related Party Transactions and transactions mention in Sub - Section 1 of Section 188 of Companies Act, 2013 shall require approval of the shareholders through special resolution and the related parties shall have to abstain from voting on such resolutions.

**REVIEW OF RELATED PARTY TRANSACTIONS BY THE AUDIT COMMITTEE AND THE BOARD:**

Related Party Transaction with a Related Party shall be referred to the Audit Committee for its review and approval.

i. To review a Related Party Transaction, the Audit Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the Transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

ii. 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:

- Whether the terms of the Related Party Transaction are on arms length basis to the Company and in Ordinary Course of Business and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an independent director;

- Whether the proposed transaction includes any potential risk issues that may arise as a result of or in connection with the proposed transaction;
- 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
- Whether the Related Party Transaction would present 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, Key Managerial Personnel 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 Board/ Audit Committee deems relevant.

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

#### **OMNIBUS APPROVAL FOR RELATED PARTY TRANSACTIONS:**

The Audit Committee may grant prior approval for Related Party Transaction which are repetitive in nature and are in the Ordinary Course of Business and satisfy the Arm's length basis, subject to the compliance of conditions contained in Clause 49 of the Listing Agreement.

#### **EXEMPTIONS:**

Nothing contained in this Policy shall apply to any contract or arrangements with Related Party –

- In the Ordinary Course of its business and on an Arms' length basis;
- Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, (as defined under the Act) including the reimbursement of reasonable business and travel expenses incurred in the Ordinary Course of Business;
- 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;
- Transactions available to all employees generally;
- Service availed in a professional capacity from body corporate/person;
- The following transaction(s) undertaken by the Independent Director with the Company or its holding, subsidiary, or associate company or their promoters or directors during the year:
  - transaction(s) done in Ordinary Course of Business at arm's length;
  - receipt of remuneration by way of sitting fees;
  - reimbursement of expenses for attending board and other meetings;

- any profit related commission as approved by members.

**DISCLOSURE:**

Details of any Related Party Transaction shall be disclosed to the Stock Exchanges as per the provisions of Clause 49 of the Listing Agreement.

The Company shall disclose the Policy on its website and web-link shall be provided in the Annual Report.

**INDEMNITY:**

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Audit Committee/ Board or approval by a Special Resolution in the General Meeting under Sub Section (1) of Section 188 of the Companies Act, 2013 and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a Related Party to any director, or is authorized by any other director, the directors concerned shall indemnify the Company against any loss incurred by it.

**PENALTIES:**

The Audit Committee /Board may proceed against the Director / Key Managerial Personnel, who had entered into contract or arrangement in contravention of the provisions, for recovery of any loss sustained by result of such contract or arrangement in such manner, it may deem fit and proper.

**SCOPE LIMITATION:**

In the event of any conflict between the provision of this Policy and of the Listing Agreement/Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement/Companies Act, 2013, or statutory enactments, rules shall prevail over this Policy.

**AMENDMENT:**

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.