

RELATED PARTY TRANSACTIONS POLICY

1. PREAMBLE

The Board of Directors in their meeting held on 14th November 2015 has revised and modified the policy on Related party transaction as required under Companies Act, 2013 and Regulation 23 of the SEBI(Listing Obligations and Disclosure requirements) Regulation 2015 and made it applicable from 1st December 2015.

2. OBJECTIVE

The Objective of this Policy is to bring uniform practices relating to Related Party Transactions covering the process, methodology, arm's length pricing, approval mechanism, disclosures and compliance with the provisions of the Companies Act 2013 and rules framed thereunder, Regulation 23 of the SEBI(Listing Obligations and Disclosure requirements) Regulation 2015 with the Stock Exchanges and the Transfer Pricing norms prescribed under the Income Tax Act, 1961 and Accounting Standards. Hence the Company seeks to formulate a robust Policy on Related Party Transactions to deal with the identification, review and approval of Related Party Transactions.

3. KEY DEFINITIONS

“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 of Director” or “Board” means the Board of Directors of Pix Transmissions Limited, as constituted from time to time.

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

“Policy” means Related Party Transaction Policy.

“Related Party” or “RP”

a. As per Listing Agreement

“Related Party”, with reference to a Company, shall have the meaning as defined in Section 2(76) of the Companies Act,2013;or an entity that is a related party under the applicable accounting standards.

b. As per Companies Act , 2013

“Related Party”, with reference to a Company, shall have the meaning as defined in Section 2(76) of the Companies Act, 2013.

“Related Party Transaction” or “RPT” means transaction in the nature of contract involving transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

“Material Related Party Transaction” or “MRPT” is a transaction with a Related Party which 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.

4. POLICY

The broad Policy covering various aspects of identification of related party transactions ,review, approval mechanism and implementation is described below:

4.1 Identification of Potential Related Party Transactions

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/her or his/her relative, including any additional information about the transaction that the Board or Audit Committee may request. The Board shall record the disclosure of Interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

The Company Secretary or the Compliance Officer (as the case may be) shall at all times maintain a database of Company’s Related Parties containing the names of individuals and Companies, identified on the basis of the definition set forth in the Key Definition section above, along with their personal/company details including any revisions therein.

4.2 Approval of Related Party Transactions

4.2.1 Audit Committee

All Related Party Transactions of the Company shall require prior approval of Audit Committee, whether at a meeting or by Resolution by circulation. However, the Audit Committee may grant

omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the conditions set forth in clause 49 of the Listing Agreement.

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

4.2.2 Board of Directors

Transactions with the related parties, which are either not in the Ordinary Course of Business or are not at Arms' Length shall require prior approval of the Board of Directors.

In the above context, 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.

4.2.3 Shareholders

Transactions with the related parties, which are either not in the 'Ordinary Course of Business' or are not on an 'arm's Length Basis' and exceeds the threshold under section 188 of the Companies Act 2013 shall require prior approval of the shareholders through special resolution.

No member of the Company shall vote in a special resolution where a related party contract or arrangement is being considered if such a member is a related party in the context of the contract or arrangement which is being considered.

4.3 Approval process for Related Party Transactions

4.3.1 Audit Committee

- ***Omnibus Approval***

All Related Party Transactions must be reported to the Audit Committee for its approval in accordance with this Policy. However, the Audit Committee may in accordance with the provisions of law may grant omnibus approval for any related party transaction as it deems fit. Such delegation by Audit Committee shall comply with the following

- a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- 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 .

d) 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.

- **Specific Approval**

All the transactions that are identified as Related Party Transactions under the scope of this Policy and not covered under Omnibus Approval mechanism, shall be placed before the Audit committee for approval with the relevant material information of the Related Party Transaction, covering:

- a) Name of the related party
- b) Nature of the transaction
- c) Period of transaction
- d) Amount of transaction that can be entered into
- e) Price and the formula for variation in the price if any and taxes
- f) Payment security and payment terms
- g) Warranties and guarantees
- h) Justification for the arm's length nature of transaction and
- i) Compliance under the Companies Act 2013, Listing Agreement and other legal aspects

4.3.2 Board of Directors & Shareholders

In case of "Related Party Transactions which are not in Ordinary Course of Business or not at an Arm's Length" and exceeds the prescribed criteria under Section 188 of the Companies Act, 2013 and in case of Material Related Party Transactions, the following information shall be given in the explanatory statement forwarded to Shareholders after the approval of the Board:

- a. Name of the Related Party
- b. Name of the Director or Key Managerial Personnel who is related, if any
- c. Nature of relationship
- d. Nature, material terms, monetary value and particulars of the contract or arrangement
- e. Any other information relevant or important for the members to take a decision

on the proposed resolution

4.4 Review of Related Party Transactions

Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company .

Omnibus approvals given by the audit committee shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

4.5 Related Party Transactions not approved under this policy

In the event the Company becomes aware of a Transaction with a Related Party, which is not on Arm's length basis or not in the ordinary course of business, that has not been approved or is not in accordance with the delegation approved under this Policy , 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 failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

5. DISCLOSURE

The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.