NEXT MEDIAWORKS LIMITED

March 09, 2015

The Listing Department
The National Stock Exchange of India Ltd
Exchange Plaza , 5th floor
Plot No. C/1,G Block,
Bandra – Kurla Complex,
Bandra – East,
Mumbai – 400 051

Dear Sir,

Subject: Related Party Transaction Policy adopted by the Company as per amended clause 49 of the Listing Agreement.

We are enclosing herewith the policy of Related Party Transaction which has been adopted by the Board of Directors in the meeting held on 23rd January, 2015.

The same has been uploaded on the company's website for shareholders reference.

Kindly take the above documents on your records and acknowledge the receipt.

Thanking You,

Yours faithfully,

For **Next Mediaworks Limited**

NEXT MEDIAWORKS LIMITED MUMBAI

Manoj Gujaran
Company Secretary

Encl: A/a

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CIN : L22100MH1981PLC024052

Related Party Transaction Policy

1. Preamble

The Board of Directors (the "Board") of Next Mediaworks Limited (the "Company"), at their Meeting held on 23rd January, 2015 has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may recommend amendments to this policy to the Board. The Board may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Policy Objective

This policy is framed as per requirement of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and intends to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its stakeholders.

3. Definitions

"Audit Committee" means Committee constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 2013.

"Board of Director" or **"Board"** means the Board of Directors of Next Mediaworks Limited as constituted from time to time.

"Company" mean Next Mediaworks Limited.

"Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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

(i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
(ii) Company Secretary; and
(iii) Chief Financial Officer.

"Material Related Party Transaction" means a transaction with a related party 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 Transactions

"**Related Party**" means related party as defined in Clause 49 of the Listing Agreement which is as follows:

(i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
(ii) Such entity is a related party under the applicable accounting standards.

"**Related Party Transaction**" means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and would include a single transaction or a group of transactions in a contract.

"Relative" means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if –

i. They are members of a Hindu undivided family ;
ii. They are husband and wife ; or
iii. Father (including step-father)
iv. Mother (including step-mother)
v. Son (including step-son)
vi. Son's wife
vii. Daughter
viii. Daughter's husband
ix. Brother (including step-brother)
x. Sister (including step-sister)

4. Policy

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

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 or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. The Audit Committee would 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.

4.2 Prohibitions related to Related Party Transactions

All Related Party Transactions shall require prior approval of Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
b. The Audit Committee shall satisfy itself on 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;

        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.
d. Audit Committee shall review, atleast on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given.
e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year"

Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

4.3 Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the 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. In determining whether to approve a Related Party Transaction, the Committee will consider *inter-alia* the following factors, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company 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 reputational 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 an improper 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, Executive Officer 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/Committee deems relevant.

If the 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.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders, subject to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder:

i. 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, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

ii. 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.

iii. Any transaction entered with its Wholly Owned Subsidiary whose accounts are consolidated with the accounts of the Company and placed before the shareholders at the general meeting for approval.

5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, 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 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, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

6. Disclosures

The Policy on dealing with Related Party Transactions is to be disclosed on the company's website at www.nextmediaworks.com and a web link thereto would be disclosed in the Annual Report of the Company. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.