



Paramount Communications Limited

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

1. OBJECTIVE

- 1.1 This Policy may be called the '*Policy on dealing with Related Party Transactions*' (hereinafter referred to as '**the Policy**').
- 1.2 The Policy is framed in accordance with and to comply with the provisions of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges (hereinafter referred to as '**Clause 49**') and the relevant provisions of the Companies Act, 2013 ('**the Act**').
- 1.3 The Policy has been recommended by the Audit Committee (hereinafter referred to as '**the Audit Committee**') and approved by the Board of Directors (hereinafter referred to as '**the Board**') of Paramount Communications Limited (hereinafter referred to as '**the Company**').

2.0 DEFINITIONS

- 2.1 "**Arm's length transaction ('ALP')**" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- 2.2 "**Audit Committee**" means the committee of Directors constituted under Section 177 of the Companies Act, 2013 (hereinafter referred to as "the Act") and Clause 49.
- 2.3 "**Board**" means the Board of Directors of the Company.
- 2.4 "**Key Managerial Personnel**" means the person(s) appointed as such under Section 203 of the Act.
- 2.5 "**Related Party**" shall have the meaning ascribed to the term in Clause 49(VII)(B) of the Listing Agreement of stock exchanges.
- 2.6 "**Related Party Transaction**" shall have the meaning as described to the term in Clause 49(VII)(B) of the Listing Agreement of stock exchanges and/or the Act, as amended from time to time.

3.0 MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

3.1 Identification of Related Party

On the basis of criteria prescribed under the Act and/or Clause 49, and also per the declarations/disclosures furnished by Directors and Key Managerial Personnel, the list of Related Parties shall be compiled, which shall be updated from time to time.

3.2 Review and approval of Related Party Transactions

- Unless otherwise provided in the Act and Clause 49, all Related Party Transactions shall require approval of the Audit Committee.
- The Audit Committee may grant omnibus approval to one or more proposed Related Party Transactions, in accordance with conditions prescribed in Clause 49(VII) (D) of the Listing Agreement.
- The Audit Committee shall be provided all relevant and material information on Related Party Transactions, including the terms thereof, business case, justification of arm's length terms etc.
- Where a proposed Related Party Transaction is 'Material Related Party Transaction' in terms of Clause 4 herein below, it shall also require approval of the shareholders by way of 'special resolution' and all Related Parties shall abstain from voting, irrespective of whether they are party to the particular transaction or not.
- Where a proposed Related Party Transaction is not in the ordinary course of business of the Company and/or on arm's length basis; and also exceeds the limits set-out in Rule 15(3) of Companies (Meeting of Board and its Powers) Rules, 2014, prior approval of the shareholders shall be sought by way of a special resolution; and all Related Parties (in the context of that particular contract or arrangement) shall abstain from voting.
- The Related Party Transactions entered into by the Company shall be subject to *post-facto* review by the Audit Committee on quarterly basis.

4.0 MATERIALITY OF RELATED PARTY TRANSACTIONS

A 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 10% (Ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

5.0 RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THE POLICY

In the event the Company becomes aware of any Related Party Transaction that has not been approved under the Policy, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all 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 said Related Party Transaction.

The Audit Committee may examine the facts and circumstances of the case and take such action as it deems appropriate.

6.0 DISCLOSURE OF RELATED PARTY TRANSACTIONS

- 6.1 Particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under Clause 49 and/or the Companies Act, 2013 (including rules made there under), from time to time.
- 6.2 The Company shall host the Policy on its website and a web-link thereto shall be provided in the Annual Report for dissemination of contents thereof, to all concerned.