



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 regulation 23 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended 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**" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards. Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.
- 2.6 "**Related Party Transaction**" shall have the meaning as described to the term in Clause (zc) of Regulation 2 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, as amended and section 188 of the Companies Act, 2013 and rules made thereunder.
- 2.7 "**Relatives**" means relatives as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.
- 2.8 "**Associate Company**" means any entity which is an associate under subsection 6 of section 2 of the Companies Act 2013, or under the applicable accounting standards.
- 2.9 "**Control**" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

2.10 “Turnover” means the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year.

2.11 “Policy” means the Related party Transaction Policy, as amended from time to time

3.0 MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

3.1 Identification of Related Party

Based on criteria prescribed under the Act and/or Clause 23 of SEBI Listing Regulations, 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

- All Related Party Transactions shall require approval of the Audit Committee of the Board of Directors, or the shareholders of the Company as the case may be, as required under and subject to the Act and the Listing Regulations. Provided that only those members of the audit committee, who are independent directors, shall approve related party transaction.
- The Audit Committee may grant omnibus approval to one or more proposed Related Party Transactions, in accordance with conditions prescribed in clause 23 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time.
- Such Omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.
- 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.
- Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- 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 through resolution and no related party shall vote to approve such resolutions whether the entity is a related 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 resolution; and all Related Parties (in the context of that particular contract or arrangement) shall abstain from voting.
- Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting 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 or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

- Provided also that the requirement of passing the resolution under first proviso shall not be applicable for transactions entered into between a holding 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.

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** Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering such contract or arrangement.
- 6.2** The details of material transactions with related parties will be included in the corporate governance reports which are required to be submitted to the stock exchanges on a quarterly basis.
- 6.3** 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.

7 AMENDMENTS

Any change in the Policy shall be approved by the Board of the Company. The Policy shall be reviewed by the Board at least once in every three years and updated accordingly. Any subsequent amendment/modification in the Act or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy