



CODE OF CONDUCT TO REGULATE MONITOR AND REPORT TRADING BY DESIGNATED PERSON(S) AND THEIR IMMEDIATE RELATIVE(S)

[Pursuant to Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

PART A

1. Objective

PARAMOUNT COMMUNICATIONS LIMITED (hereinafter referred to as "the Company") is laying down the present code to regulate, monitor and report trading by its Designated Person(s) and immediate relatives of the designated persons towards achieving compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ["SEBI (PIT) Regulations"], adopting the minimum standards set out in Schedule B to these regulations. The object of this code is to ensure that no Designated Person(s) and Immediate Relatives of the Designated Person(s) shall use his or her position or knowledge about the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, the Company hereby notifies a code of conduct to regulate, monitor and report trading by Designated Persons(s) and their Immediate Relative(s) ("the Code"), made pursuant to SEBI (PIT) Regulations:-

2. Applicability

This Code shall be applicable to and binding on all the Designated Person(s) and their Immediate Relatives for trading in securities of the Company.

3. Definitions

- (a) **"Company"** means Paramount Communications Limited;
- (b) **"Compliance Officer"** means any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under SEBI (PIT) Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in SEBI (PIT) Regulations under the overall supervision of the Board of Directors of the company;

- (c) **"Connected Person"** means-
- (i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- ii) The persons falling within the following categories shall be deemed to be connected persons:
- an immediate relative of connected persons specified in clause (c); or
 - a holding company or associate company or subsidiary company; or
 - an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - an investment company, trustee company, asset management company or an employee or director thereof; or
 - an official of a stock exchange or of clearing house or corporation; or
 - a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - a banker of the company; or
 - a concern, firm, trust, Hindu Undivided Family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest;
- (d) **'Designated Persons(s)'** shall mean and include:
- ✓ Promoters and Promoter Group of the Company
 - ✓ All Directors, including CEO, Managing Directors/Executive Directors;
 - ✓ Key Managerial Personnel (KMPs) of the Company
 - ✓ Employees upto two levels below Chief Executive Officer of the Company
 - ✓ All the employees of accounts, finance, legal, IT and secretarial departments involved in finalization of financial statements of the Company and in any support service relating to any price sensitive information of the Company such as corporate announcement, filing, uploading etc.
 - ✓ Employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.

- ✓ Employees declared as designated employee from time to time by the Compliance officer for a particular matter/information on which the code shall be applicable for the time being or for the period as specified by Compliance officer.
- (e) **“Immediate relative”** means spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;
- (f) **“Insider”** means any person who is:
 - i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- (g) **“Insider Trading”**: When insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions, the action is referred to as insider trading;
- (h) **“Generally available Information”**: means information that is accessible to the public on a non-discriminatory basis.
- (i) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;
- (j) **“Trading day”**: means a day on which the recognized stock exchanges are open for trading;
- (k) **“Unpublished price sensitive information”** means any information, relating to the company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –
 - (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel; and
 - (vi) material events in accordance with the listing agreement.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

PART B: DUTIES OF COMPLIANCE OFFICER

The compliance officer shall report to the Chairman of the Audit Committee, Chairman & CEO and Managing Director of the Company and shall perform following duties:

- (a) The Compliance Officer shall maintain a record of designated Persons(s) and any changes made to the list of Designated Person(s) and where he exercises his power of deeming a person to be designated Person(s) shall report/notify to the board/committee thereof of such changes.
- (b) The Compliance officer may in consultation with the Chairman & CEO & Managing Director and as directed by the Board, specify period for closure of trading window from time to time and immediately make an announcement thereof. The Compliance officer shall ensure that the trading window shall not be reopened earlier than forty-eight hours from the date of dissemination of UPSI to the public.
- (c) The Compliance Officer shall maintain a record of the Trading Window closure Period specified from time to time.
- (d) The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of 'Price-Sensitive Information', 'pre-clearing of Trades of Designated Person(s)', monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of the Company and educating new joiners about the code and its requirements.
- (e) The Compliance Officer shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers and Designated Person(s) for a minimum period of three years.
- (f) The Compliance Officer shall place before the Audit Committee and the Board of Directors, at least once in a year all the details of the dealing/trade in the securities by Designated Person(s) of the Company.
- (g) The Compliance Officer shall from time to time inform the Stock Exchanges of any price sensitive information as soon as possible.
- (h) The Compliance Officer shall intimate/report to all Stock Exchanges on which the securities of the Company are listed, desired information or compliance and to make necessary disclosures in terms of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.
- (i) The Compliance Officer shall be responsible for overseeing and co-ordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media.

PART C: PRESERVATION OF "UNPUBLISHED PRICE SENSITIVE INFORMATION"

Designated Person(s) shall maintain the confidentiality of all Unpublished Price Sensitive Information and shall not pass on such information to any person directly or indirectly (except in furtherance of legitimate purposes, performance of his duties or discharge of his legal obligations) by way of making a recommendation for the purchase or sale of securities of the Company until the same is made available to the general public.

For the purpose of above Para, the term “legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with SEBI (PIT) Regulations.]

Following practices should be followed in this regard:

A. Need to Know

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

B. Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login ids and passwords, etc. Files containing confidential information should be deleted /destroyed after its use alongside complete destruction shall be insured of physical files.

C. Chinese Walls

- i) Additionally, while dealing with or handling Unpublished Price Sensitive Information within the Company, the Company shall adopted policies and procedures (collectively “Chinese Walls”) designed to manage confidential information and prevent the inadvertent spread and misuse of Unpublished Price Sensitive Information.

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- ii) Chinese Walls shall be used to separate areas that have access to Unpublished Price Sensitive Information (“Insider Areas”) from those who do not have such access (“Public Areas”) within the Company.
- iii) Insiders within a Chinese Wall have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently.
- iv) All persons who have crossed Chinese Wall should be notified that he would be considered to be a Designated Person under this Code and consequently, required to comply with all applicable provisions of the Code and Regulations, till such information remains UPSI.
- v) The establishment of Chinese Walls does not suggest or imply that Unpublished Price Sensitive Information can circulate freely within Insider Areas. The provision of Need to know basis shall be applicable within Insider Areas as well.

**PART D: PROHIBITION ON DEALING, COMMUNICATING OR COUNSELING ON
MATTERS RELATING TO INSIDER TRADING**

No Insider shall –

- either on his own behalf, or on behalf of any other person, deal in securities of the Company when in the possession of any unpublished price sensitive information;
- Communicate, counsel or procure, directly or indirectly, any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

PRE CLEARANCE OF TRADE

The Designated Person(s) intends to Trade in the Securities in a calendar quarter (either in one transaction or in a series of transactions) of a consideration price exceeding Rs. 10,00,000 (Rupees Ten Lakhs) for the Securities should obtain a prior approval for the transactions as per the procedure described hereunder. This is a mandatory requirement even when the trading window is open.

A. Pre-dealing Procedure

- An application for pre-clearance of trade may be made in Form '1' duly filled and complete in all respects, to the Compliance Officer. An undertaking shall be executed in favor of the Company by such Designated Person incorporating, inter alia, the following clauses, as may be applicable:

1. That the Designated Person does not have any access or has not received "Unpublished Price Sensitive Information" up to the time of signing the undertaking.

That in case the Designated Person has access to or receives "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, he or she shall inform the Compliance Officer of the change in his position and that he or she would completely refrain from dealing in the securities of the company till the time such information becomes public.

2. That he or she has not contravened the Company's code of conduct to regulate, monitor and report trading by Designated Person(s) and their Immediate Relative(s) as notified by the Company from time to time.
 3. That he or she has made a full and true disclosure in the matter.
- The Compliance Officer shall on receipt of request give an acknowledgement on the duplicate of the application submitted by the Designated Person(s). The Compliance Officer shall grant approval within 3 days from the date of acknowledgement. The Compliance Officer shall retain copies of all applications and acknowledgements.
 - The Designated Person(s) shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the Designated Person(s) must pre clear the transaction again.
 - The Designated Person(s) who buy or sell any number of Securities of the Company shall not execute an opposite transaction i.e., sell or buy any number of that securities during the next six months following the prior transaction. Hence shall not indulge in contra trading. The compliance officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate SEBI (PIT) Regulations.
 - Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

RESTRICTION ON TRADING

Designated Persons of the company shall be subject to trading restrictions as enumerated below: -

Trading Window

- No Designated Person shall deal in the securities of the Company when in possession of UPSI.
- All Designated Persons shall conduct all their dealings in the Securities only when the Trading Window is open and no Designated Person shall deal in the Securities during the period when the Trading Window is closed or during any other period as may be specified by the Compliance Officer from time to time.
- The trading window shall mandatorily be closed from the end of every quarter till 48 hours after declaration of financial results or such other period as amended under SEBI (PIT) Regulations, from time to time.
- The trading window shall be re-opened not earlier than 48 (forty eight) hours of UPSI becomes generally available.
- All Communication regarding Trading Window Closure shall be given to each Designated Person(s) through e-mail and will also be notified to the stock exchange where the securities of the Company are listed. However, irrespective of whether such communication is received, the Designated Persons governed by this Code should mandatorily verify whether the trading window is open before undertaking any transactions in respect of the Company's Securities. Non receipt of communication regarding closure of trading window will not justify a transaction done during the period when the trading window was closed.
- To ensure that no fraudulent dealing in securities takes place, the Notional Trading Window may be created from time to time.

“Notional Trading Window” means a temporary restriction on the trading by the Designated persons and any other person as the Compliance Officer deems fit in consultation with the Board, during the period when the discussions pertaining to policy decisions/ any proposed corporate action are being made within the Company but formal decision for the same is yet to be taken.

- The trading window shall be, inter alia, closed at the time of:-
 - 1) Declaration of Financial results (quarterly, half-yearly and annual),
 - 2) Declaration of dividends (interim and final),
 - 3) Issue of securities by way of public/ rights/bonus, etc,
 - 4) Any major expansion plans or execution of new projects,
 - 5) Amalgamation, mergers, takeovers and buy-back,
 - 6) Disposal of whole or substantially whole of the undertaking,
 - 7) Any changes in policies, plans or operations of the Company,
 - 8) Any information which in the opinion of the Board or Compliance officer of the Company is of such a nature, if disclosed, is likely to materially affect/impact the prices of the securities of the Company.

PART E: REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

- **Initial Disclosures under Regulation 7(1) (b)**

Every person on becoming the designated person of the Company shall make necessary disclosures, within the prescribed time line and in prescribed format, in terms of Regulation 7 (1) (b) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

- **Continual Disclosures under Regulation 7 (2) (b)**

Every Designated Person(s) shall disclose to the Company the number of such Securities acquired or disposed of within two trading days of such transaction if the value of the Securities traded, whether in one transaction or a series of over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000/- (Rupees Ten Lakhs Only) in the format prescribed by SEBI.

The Company shall notify the particulars of such trading to the Stock Exchanges within 2 trading days of receipt of disclosure or from becoming aware of such information or such other time period as specified in SEBI (PIT) Regulations.

- **Annual Disclosure**

Designated Person(s) shall disclose his/her holding as on March 31 every year within a period of 30 days from the end of each year in the format prescribed.

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

- a) immediate relatives
- b) persons with whom such designated person(s) shares a material financial relationship
- c) Phone, mobile and cell numbers which are used by them

Explanation: The term “material financial relationship” shall mean a relationship in which one Person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm’s length transactions.

PART F: RECORDS AND DISCLOSURES BY THE COMPANY

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Designated Person(s) for a minimum period of Five years.

Part G: PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

- Every Designated Person (s) who trade in securities or communicates any information for trading in securities, in contravention of the code ofconduct may be penalized and appropriate action may be taken by the Company. Any Designated Person(s) of the Company who violate this Code of Conduct shall also be subject to disciplinary action by the Company, which may include salary freeze, suspension, withholding of promotions and may be imposed with fine as the board may deem fit depending upon the severity of actions etc.
- The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
