



POLICY ON RELATED PARTY TRANSACTIONS

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POLICY ON RELATED PARTY TRANSACTIONS

Quadrant Televentures Limited (the “**Company**”), has formulated this policy on Related Party Transactions (this “**Policy**”) in line with the requirement prescribed under Section 188 of the Companies Act, 2013 (“**Companies Act**”) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Reg 23 of the SEBI LODR**”).

This Policy is intended to put into place the mechanism for identifying, reviewing and approving transactions between the Company and Related Parties (*defined hereinafter*) (“**Related Party Transactions**”) thereby ensure that the dealings in Related Party transactions meet proper approval and reporting norms as required under the applicable laws

This Policy has been prepared on fundamental principle that the Company enter into only such Related Party Transactions that are in the best interests of the Company and its shareholders.

1. **Definitions**

“**Arm’s length transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Audit Committee**” or “**Committee**” means the Committee of Board of Directors of the Company constituted in accordance with the requirements prescribed under Regulation 18 of SEBI (LODR) Regulation 2015 and Section 177 of the Companies Act, 2013

“**Board**” means Board of Directors of the Company.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and under the provisions of the Companies Act (as amended from time to time).

“**Key Managerial Personnel**” or “**KMP**” shall have the same meaning as defined under section 2(51) of the Companies Act, 2013 (as amended from time to time), and includes:

- a) The Chief Executive Officer or the Managing Director or the Manager;
- b) The Company Secretary;
- c) The Whole Time Director;
- d) The Chief Financial Officer;
- e) Such other officer, not more than one level below the directors who is in whole- time employment, designated as key managerial personnel by the Board; and
- f) such other officer as may be prescribed under the Companies Act and the corresponding rules.

“**Associate Company**” means any company in which the Company Controls at least Twenty percent of total share capital or of business decision under an agreement, but which is not a subsidiary of the Company having such influence, and includes a joint venture company.

“Policy” all Related Party Transactions must be referred to the Audit Committee for approval, in accordance with this policy.

“Related Party” means related party as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1) (zb) of SEBI (LODR) Regulations 2015.

“Related Party Transaction” means any transaction involving a transfer of resources, services or obligation between the Company and a Related Party, regardless of whether a price is charged. A Related Party Transaction shall be construed to include a single transaction or a group of transactions in a contract.

“Relatives” means as defined under section 2(77) of the Companies Act, 2013 and includes the following:-

- a) Members of a Hindu Undivided Family
- b) Spouse
- c) Father (including step-father)
- d) Mother (including step-mother)
- e) Son (including step-son)
- f) Son’s wife
- g) Daughter
- h) Daughter’s husband
- i) Brother (including step-brother)
- j) Sister (including step-sister)

2. Policy

The Company has following Policy in place for the identification, approvals, review and criteria for the approval of all Related Party Transactions (irrespective of the value /materiality of the same) falling within the purview of the Companies Act and Regulation 23 of the SEBI (LODR) 2015:

2.1 Identification of Potential Related Party Transactions

Each Director and Key Managerial Personnel is responsible for providing declaration to the Company on Related Parties involving him/her and his/her Relative, including any additional information that may reasonably be required as per Reg 23 of SEBI (LODR), 2015. Further, the Director / Key Managerial Personnel shall intimate the Company as and when any changes are required to the Related Parties, as mentioned in the declaration.

The Company shall maintain a database of Related Parties containing the names of individuals and companies identified based on the definition of Related Party and declaration provided by the Directors and Key Managerial Personnel.

The list of Related Parties shall be updated whenever necessary and reviewed on a timely basis and would be communicated to the functional departments.

2.2 REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Approval policy framework is given below:

- Related Party Transactions will be referred to the Audit Committee for review and prior approval. Any member of the Committee who has a potential interest in any Related Party Transaction will be abstain from discussion and voting on the approval of such Related Party Transaction in determining whether to approve, ratify, disapprove or reject a Related Party Transaction, the Audit Committee, shall take into account all the factors it deems appropriate.
- Related Party Transactions which are not in ordinary course of business and not on arm's length basis shall require approval of the Board of Directors of the Company, in addition to the approval of the Audit Committee.
- The following Related Party Transactions shall require approval of the Shareholders of the Company, in addition to the approval of the Audit Committee and the Board of Directors of the Company:

a) Related Party Transactions which are not in ordinary course of business and not on arm's length basis and which crosses threshold limit as prescribed under the Companies Act, 2013.

b) Material Related Party Transactions

No Related Party shall vote to approve such resolutions at the general meeting, whether the entity is a Related Party to the particular transaction or not.

2.3 GENERAL CRITERIA FOR APPROVAL OF RELATED PARTY TRANSACTIONS

To review a Related Party Transaction, the Audit Committee to 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 information.

The information provided to the Committee may include the following:

- i) The name of the related party and nature of relationship;
- ii) The nature, duration of the contract and particulars of the contract or arrangement;
- iii) The material terms of the contract or arrangement including the value, if any;
- iv) Any advance paid or received for the contract or arrangement, if any;
- v) The manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract;
- vi) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
- vii) The persons/authority approving the transaction; and
- viii) Any other information relevant or important for the Committee to take a decision on the proposed transaction.

2.4 DECISION REGARDING TRANSACTION IN THE ORDINARY COURSE OF BUSINESS AND AT ARM'S LENGTH

In respect of the Related Party Transactions, the Audit Committee and the Board of Directors shall, after considering the documents and materials placed before them for approval, judge if the transaction is in the ordinary course of business or at arm's length basis.

The expression "arm's length transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

2.5 OMNIBUS APPROVAL BY AUDIT COMMITTEE FOR RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED

All Related Party Transactions shall require prior approval of the Audit Committee, unless specifically exempted under applicable laws.

However, the Audit Committee may grant omnibus approval for transactions which are in ordinary course of business of the Company and recurring in nature.

Further, where the need for Related Party Transaction cannot be foreseen, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 50 crore.

The Audit Committee would review on a quarterly basis the aforesaid Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

The omnibus approval shall be valid for a period of one year and fresh approval of the Audit Committee would be obtained after the expiry of one year.

2.6 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 Company would obtain prior approval from the Audit Committee.

In case the Company is not able to take prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this Policy.

The Audit 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. In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit 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 Audit Committee has

authority to modify or waive any procedural requirements of this Policy, in compliance with applicable regulations.

3. REPORTING OF RELATED PARTY TRANSACTIONS

Every contract or arrangement, 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 into such contract or arrangement.

The details of material related party transactions will be included in the Corporate Governance Reports which are required to be submitted to the Stock Exchanges on a quarterly basis.

The details of materially significant related party transactions that may have potential conflict with the interests of Company, to be included in the Corporate Governance Report which forms part of the Annual Report.

The details of related party transactions on a Standalone basis would be submitted to the stock exchanges and published on the Company's website on a half-yearly basis, within 30 days from the publication of the Company's financial results.

4. REVIEW OF POLICY

The Policy shall be reviewed at least once a year or pursuant to any regulatory amendment or for any reason as deemed appropriate by the Audit Committee and the Board of the Company.

5. DISCLOSURE

This Policy will be communicated to all employees and other concerned persons of the Company and shall be placed on the website of the Company at <http://www.connectzone.in>
