



# **PARTY CRUISERS LIMITED**

**(CIN: L63040MH1994PLC083438)**

## **POLICY ON RELATED PARTY TRANSACTIONS**

*[Pursuant to the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

### 1. **PREAMBLE**

The Board of Directors (the “Board”) of Party Cruisers Limited (the “Company”) has adopted this Policy upon recommendation of the Audit Committee in compliance with the requirements of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

The Board had adopted and updated the related party transactions policy at its meeting. It shall be effective from the date of listing of securities of the Company on Stock Exchanges.

### 2. **OBJECTIVE**

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time and high standards of Corporate Governance while dealing with related parties.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

### 3. **DEFINITIONS**

- a. **“Act”** means the Companies Act, 2013 and the rules made thereunder.
- b. **“Audit Committee or Committee”** means the committee of the Board constituted from time to time under the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.
- c. **“Arm’s Length”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest and such price charged for transactions to a Related Party has in no case been influenced by the relationship and meets the criteria prescribed in Transfer Pricing Guidelines prescribed under Income- Tax Act, 1961.
- d. **“Board”** means the Board of Directors of the Company as defined under the Companies Act, 2013.

- e. **“Key Managerial Personnel”** means Key Managerial Personnel as defined under Section 2(51) of the Companies Act, 2013.
- f. **“Listing Regulation”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) as amended from time to time.
- g. **“Material Related Party Transaction”** means a Related Party Transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees fifty crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.
- h. **“Material Modifications”** means and includes any modification to an existing related party transaction having a variance of 20% of the existing limit as sanctioned by the Audit Committee / Board of Directors / Shareholders of the Company.
- i. **“Related Party”** means a related party as defined under the Act, read with Regulation 2 (zb) of Listing Regulations as amended from time to time.

**3.1 “Related Party Transaction”** means a transaction involving a transfer of resources, services or obligations between:

- (i) the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- (ii) the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, with effect from April 1, 2023;

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- a. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- b. the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. subdivision or consolidation of securities;
  - iii. issuance of securities by way of a rights issue or a bonus issue; and
  - iv. buy-back of securities.
- c. acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s);

Following transactions are included and considered as Related Party Transactions:

- i. Sale, purchase or supply of any goods or materials;
  - ii. Selling or otherwise disposing of, or buying property of any kind;
  - iii. Leasing of property of any kind;
  - iv. Availing or rendering of any services;
  - v. Appointment of any agent for the purchase or sale of goods, materials, services or property;
  - vi. Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
  - vii. Underwriting the subscription of any securities or derivatives thereof, of the Company;  
(The above is an indicative list and not an exhaustive one).
- j. **"Relative"** means a relative as defined under Sec 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, as amended from time to time.
  - k. **"Transaction"** with a Related Party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations including amendments thereof, Indian Accounting Standards (IND AS); and or any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.

#### **4. POLICY**

i. The Audit Committee shall review and approve all Related Party Transactions and subsequent material modifications based on this Policy.

Provided that only those members of the Audit Committee, who are independent directors shall approve related party transactions.

ii. All proposed Related Party Transactions must be reported to the Audit Committee for its prior approval in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant standing pre-approval/ omnibus approval, details whereof are given in a separate section of this Policy.

#### **4.1 IDENTIFICATION OF RELATED PARTY TRANSACTIONS:**

- i. Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format as per Annexure 1 containing the following information to the Company Secretary on an annual basis:
- ii. Every Director and Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

#### **4.2 REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION**

All Related Party Transactions shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or through electronic mode. A member of the Committee who (if) has a potential interest in any Related Party Transaction will not remain present at the meeting and abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such transaction is considered.

#### **4.2.1 CONSIDERATION BY THE COMMITTEE IN APPROVING THE PROPOSED TRANSACTIONS**

While considering any transaction, the Committee shall take into account all relevant facts and circumstances 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.

Prior to the approval, the Committee shall, *inter-alia*, consider the following factors to the extent relevant to the transaction:

- a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- c. Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction; and

- d. Whether the Related Party Transaction would affect the independence or present a 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, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Director's interest, 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 Committee deems relevant.

While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee shall take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

#### **4.2.2 APPROVAL BY CIRCULAR RESOLUTION OF THE COMMITTEE**

In the event the management of the Company determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified by the Committee at its next scheduled meeting.

#### **4.2.3 APPROVAL BY THE BOARD**

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 Board shall consider and approve the Related Party Transaction at a meeting and 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.

A related party transaction to which the Subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company.

With effect from April 1, 2023, a related party transaction to which the Subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the Subsidiary.

(For related party transactions of unlisted subsidiaries of the Company, the prior approval of the Audit Committee of the Company shall suffice.)

#### **4.2.4 OMNIBUS APPROVAL BY THE COMMITTEE**

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval / omnibus approval. While granting the approval, the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

- a. Name of the Related Party
- b. Nature of the transaction
- c. Period of the transaction
- d. Maximum amount of the transactions that can be entered into
- e. Indicative base price / current contracted price and formula for variation in price, if any
- f. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the listed entity pursuant to each of the omnibus approvals given

Further, where the need of the Related Party Transaction cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the value per transaction not exceeding Rs. 1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee for ratification. Further, the Committee shall on an annual basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy.

The omnibus approval shall be valid for a period of one year.

#### **4.2.5 APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS**

All Material Related Party Transactions shall require prior approval of the shareholders through resolution and the Related Parties shall abstain from voting on such resolution.

#### **4.2.6 TRANSACTIONS WHICH DO NOT REQUIRE APPROVAL**

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee:

- a. Any transaction involving the providing of compensation to a director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- b. 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.
- c. Transactions entered into between our Company and its wholly owned subsidiary whose accounts are consolidated with and placed before the shareholders at the general meeting for approval.

#### **4.2.7 TRANSACTIONS NOT IN ORDINARY COURSE OF BUSINESS OR NOT AT ARM'S LENGTH**

All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, which are not in the ordinary course of business or not at arms' length shall also require the prior approval of the shareholders through ordinary resolution and the Related Parties shall abstain from voting on such resolution irrespective of whether the entity is a party to the particular transaction or not.

#### **4.2.8 RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED**

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board or the shareholders as may be required in accordance with this Policy for review and ratification.

The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee may deem appropriate under the circumstances.

#### **4.3 DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS**

Every Related Party Transaction entered into by the Company shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction. The Chief Financial Officer shall be, responsible for such disclosure. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

The Company entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website:

Provided that the Company shall make such disclosures as per provision of SEBI (LODR) Regulation, 2015.

Director's report shall contain details of Related Party Transactions as required under the Act and Regulation 23 of the SEBI Listing Regulations.

#### **5. LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Regulations/ Act any other statutory enactments as amended from time to time shall prevail over this Policy.

#### **6. REVIEW OF THE POLICY**

The Board of Directors of the Company shall review and update the Policy at least once every three years or as and when required.

#### **7. DISSEMINATION OF POLICY**

This Policy shall be disseminated to all concerned departments/persons of the Company and shall be hosted on the website of the Company and web link thereto shall be provided in the annual report of the Company.

#### **8. COMPLIANCE RESPONSIBILITY**

Compliance of this Policy shall be the responsibility of Board or person appointed by Board who shall have the power to ask for any information or clarifications from the management in this regard.



## ANNEXURE 1

### NOTICE OF INTEREST BY DIRECTOR / KEY MANAGERIAL PERSONNEL

To,  
The Company Secretary/Compliance Officer  
**Party Cruisers Limited.**  
303/304/305 Simran Plaza,  
Khar 4th Road Next to Regal Enclave Hotel,  
Khar West, Mumbai-400052

Dear Sir,

- A. I, ....., son/daughter/spouse of ....., resident of ....., holding..... Shares (equity or preference) of Rs. 10/- each (.....percent of the paid-up capital) in the Company in my name, being a.....in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following company or companies, body corporate, firms or other association of individuals:

Sr. No.	Name of the Companies/Bodies Corporate/Firms/ Association of Individuals	Nature of Interest or concern / Change in Interest or Concern	Shareholding(No. & %)	Date on which Interest or Concern arose/changed

- B. The Following are the body corporate's whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions:

Sr. No.	Name of the Body Corporate

- C. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity):

Sr. No.	Name of person	Relation

**D. List of relatives**

Relationship	Full Name	Shareholding in the Company
1. Spouse		
2. Father (including Step-Father)		
3. Son (including Step-son)		
4. Daughter		
5. Daughter's Husband		
6. Brother (Including Step-Brother)		
7. Sister (Including Step-Sister)		
8. Mother (including Step-Mother)		
9. Son's Wife		
10. Members of HUF		

**E. A firm in which you or your relative is a partner;**

Sr. No	Name of the Firm	Name of the relative	Relationship with the relative	% of the shareholding in the firm held by relative

**F. A private company in which you or your relative is a member or director**

Sr. No	Name of the Private Company	Membership or Directorship held by	% of shareholding in the private company

**G. A public company in which you are a director and hold along with your relatives, more than 2% of its paid up share capital**

Sr. No	Name of the Public Company	% of Shareholding in the Public Company

Signature: \_\_\_\_\_

Name : \_\_\_\_\_

Designation: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_\_

