

**Phillip Finance & Investments India Private
Limited**

***POLICY ON DEALING WITH RELATED
PARTY TRANSACTIONS***

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Introduction

Phillip Finance & Investments Services India Private Limited ('the Company') recognises that Related Party Transactions (as defined below) may present potential or actual conflict of interest and may pose questions whether such transactions are in the best interests of the Company and its members or not. This policy regarding the review and approval of Related Party Transactions has been formulated in compliance with the Companies Act 2013, Reserve Bank of India Act 1934, Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 and other applicable laws meant to lay down principles that will guide the transactions among related parties. The policy further sets forth the procedures for dealing with the Related Party Transactions including the process for their review, approval and ratification as permitted.

Purpose

The Institute of Chartered Accountants of India has issued Accounting Standard 18 (AS-18) for disclosures of related party relationships and transactions between a company and its related parties. Accordingly, the Company discloses the details of related party transactions, both on standalone and consolidated basis, in accordance with AS-18. Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 which inter alia, provides that a company shall formulate a policy on dealing with Related Party Transactions.

This policy intends to ensure that the transactions of the Company with its related parties are undertaken on the basis of best practices and in accordance with applicable laws.

Definitions

Act	means Companies Act, 2013 including amendments, re-enactments, modifications, notifications, circulars and orders from time to time
Audit Committee or Committee	means Audit Committee of the Company as constituted by the Board.
Board of Directors or Board	means Board of Directors of the Company
Company	means Phillip Finance & Investment Services India Pvt Ltd
Directors	means Directors of the Company for the time being occupying the position as such.
Key Managerial Personnel - (KMP)	means Directors of the Company for the time being occupying the position as such means: a. Chief Executive Officer or Managing Director; b. Whole-time Director; c. Chief Financial Officer; d. Company Secretary; e. Such other officer as may be prescribed, from time to time.
Material Related Party Transaction	means any Related Party transaction being contracts or arrangements with value (taken individually or together with previous transactions during the year) exceeding limits as prescribed in Rule 15(3) of The Companies (Meeting of Board and its Powers) Rules, 2014 read with Section 188 of the Act.
Ministry	means the Ministry of Corporate Affairs, India
Policy	means this Policy on dealing with Related Party Transactions.
Relative	in reference to an individual means and includes: a. members of HUF, b. Spouse, c. Father including step-father d. Mother including step-mother, e. Son including the step-son

	f. Son's wife, g. Daughter, h. Daughter's husband, i. Brother including the step-brother and j. Sister including the step-sister
Related Party	means a person/entity which is a related party under Section 2(76) of the Act or under applicable accounting standards. Accordingly, on the date of this policy, Related Party means: a. A director of the Company or his/her relative, b. A Key Managerial Personnel of the Company or his/her relative, c. A firm in which a Director or Manager of the Company or his/her relative is a partner, d. A private company in which Director or Manager of the Company is a member or director, e. A public company in which Director or manager of the Company is a director and holds, along with his/ her relatives, more than 2% of its paid up share capital, f. Anybody corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager of the Company, g. Any person on whose advice, directions or instructions a director or manager of the Company is accustomed to act, h. A company that is a holding, subsidiary or associate company of such a company or subsidiary of a holding company of which it is also a subsidiary, i. A director or key managerial personnel of the holding company or his / her relative, j. A party which has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions, k. Such other person as may be prescribed from time to time.
Related Party Transaction	shall mean any transaction or contract or arrangement with Related party with respect to: a. sale, purchase or supply of any goods or materials; b. selling or otherwise disposing of, or buying, property of any kind; c. leasing of property of any kind; d. availing or rendering of any services; e. appointment of any agent for purchase or sale of goods, materials, services or property; f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and g. underwriting the subscription of any securities or derivatives thereof, of the company;

Procedures

This Policy will operate within the framework of the Companies Act, 2013 read with its rules, Accounting Standards, RBI Act 1934 and Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 including amendments, modifications, reenactments thereof including all notifications, circulars, orders, clarifications and directions issued from time to time.

Approval of Related Party Transaction

Board of Directors / Audit Committee Approval

All Related Party Transactions shall require prior approval of the Board of Directors / Audit Committee.

However, the Board of Directors / Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- a) The Board of Directors / Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature;

- b) The Board of Directors / Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company; Such omnibus approval shall specify
- (i) the name of the related party and nature of relationship
 - (ii) nature, duration, maximum amount and particulars of transaction or contract or arrangement;
 - (iii) the indicative base price/current contracted price and the formula for variation in the price if any and
 - (iv) such other conditions as the Board of Directors / Audit Committee may deem fit;
- c) Board of Directors / Audit Committee shall review the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given by it on a quarterly basis;

Information to be placed before the Committee for granting approval to Related Party Transaction:

The following information may be placed before the Board of Directors / Audit Committee :

- Name of the Related Party and nature of relationship;
- Name of the director or Key Managerial Personnel who is related;
- Nature, material terms and monetary value of the contract or arrangement along with justification; and
- Any other information relevant or important for the members to take a decision on the proposed Related Party Transaction.

Members' Approval

Where member's approval is required on any Material Related Party Transactions, such approval shall be prior and obtained through special resolution. All persons falling under the definition of Related Party shall abstain from voting irrespective of whether such person is a party to the particular transaction or not. The explanatory statement to be annexed to the notice of a postal ballot or general meeting convened to consider the special resolution to approve a Material Related Party.

5. Disclosures

This policy shall be uploaded on the website of the Company.

6. Amendment:

The Company may amend this Policy as and when deemed fit. Any and all provisions of this Policy shall also be amended as required due to any regulatory changes from time to time. In case any amendments, clarifications, circulars and guidelines, not being consistent with the provisions laid down under this Policy, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendments, clarifications, circulars and guidelines.