

**PHOENIX OVERSEAS LIMITED**

**RELATED PARTY TRANSACTION POLICY**

## 1. Preamble

The Board of Directors (the “Board”) of Phoenix Overseas Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time. This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company.

## 2. Purpose

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) / amendment(s) / re-enactment(s) thereof (“SEBI LODR”) and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

## 3. Definitions

“Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“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. For determination of Arm’s Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

“Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company under provisions of SEBI LODR and Companies Act, 2013 as amended from time to time.

“Associate Company” means any other Company, in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a joint venture company.

Explanation: For the purpose of this clause

“significant influence” means control of at least twenty per cent of total share capital, or business decisions under an agreement.

“Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Material Related Party Transaction” in terms of SEBI LODR means a transaction -to be entered into with a Related Party, individually or taken together with previous transactions during a financial year:

(i) In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;

(ii) In case of any other transaction(s), if the amount exceeds Rs 1,000 crores or 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.

“Material Modification” in terms of SEBI LODR means any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% (twenty percent) or more, in the relevant previously approved related party transaction.

“Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined under Section 2(76) of the Companies Act, 2013 and the rules framed thereunder or under the applicable accounting standards:

The following shall also be treated as the Related Party –

(a) all persons or entities forming part of promoter or promoter group (including entities over which the promoter or promoter group may have control or significant influence) irrespective of their shareholding;

(b) any person/entity holding equity shares in the listed entity, as below, either directly or on a beneficial interest basis at any time during the immediately preceding financial year to the extent of 10% or more.

“Related Party Transaction or transaction (“RPT)” means transaction in the nature of contract involving transfer of resources, services or obligations between the Company or its subsidiaries on one side and the Related Party on the other side, regardless of whether a price is charged.

Explanation: A “transaction” with a Related Party shall be construed to include single or a group of transactions in a contract.

The RPT shall include transactions between:

a. 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;

b. 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.

4. Policy and Procedure
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**Policy**

All Related Party Transactions where the Company is a party to such transactions, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy.

**Procedures****A. Identification of Related Party Transactions**

Every director, key managerial personnel and promoters shall at the beginning of the financial year provide information by way of written notice to the company regarding their concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per this policy. Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party according to this policy. Every director, key managerial personnel and promoters shall also be required to immediately intimate (within not more than 7 days) to the Company Secretary, any change (addition or deletion) to previously provided disclosure of concern or interest in any entity or list of relatives. Company Secretary shall be responsible for maintaining updated list of Related Party.

Further, before any new vendor is on boarded into the SAP or equivalent system of the Company or its subsidiaries, as a part of vendor due diligence process, it shall also be checked from (i) the list of related parties so disclosed and (ii) the promoter group, whether the new vendor is a related party and if so, it has to be tagged as Related Party in the system.

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel / Promoters as well as based on the list of related parties of the Subsidiary Companies, in the manner prescribed in the Companies Act, 2013 and the rules thereunder and SEBI LODR as amended from time to time.

**B. Review and approval of Related Party Transaction****» Audit Committee**

Every Related Party Transaction and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee.

Members of the Audit Committee, who are independent directors, shall only approve related party transactions.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR as amended from time to time.

The Company shall place following information / documents before the Committee for its consideration of request for omnibus approval of Related Party Transactions:

- (i) Details of transaction(s) requiring omnibus approval;
- (ii) Need for such omnibus approval;
- (iii) Explanation as to how the transaction(s) is in the interest of the Company
- (iv) Disclosures as per the requirement of SEBI needs to be placed before the Audit Committee.

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

Where the need for related party transaction(s) cannot be foreseen and specific details are not available, audit committee may grant omnibus approval for such transaction(s), subject to value of such transactions not exceeding rupees one crore per transaction.

Notwithstanding anything to the contrary in this Policy, the members of the Audit Committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- ❖ the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- ❖ the transaction is not material in terms of the provisions of Regulation 23(1) of SEBI LODR;
- ❖ rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- ❖ the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the Regulation 23(9) of SEBI LODR;
- ❖ any other condition as specified by the Audit Committee:

If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.

The Audit Committee shall also review the statement of significant related party transactions submitted by management as per its terms of reference.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee shall be provided with the necessary information (as prescribed under the Companies Act, 2013 and/or the SEBI LODR, from time to time), to the extent relevant, with respect to actual or potential Related Party Transactions.

The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders, as per terms of this Policy.

#### 5. Approval of the Board and the Shareholders

All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such RPT.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed in section 188 of the Act as amended from time to time shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

Further, the information as prescribed under the Companies Act, 2013 and/or the SEBI LODR, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and shareholders through Ordinary Resolution and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

#### 6. Transactions which do not require approval

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 including following:

- 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 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.

v) The remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI LODR.

#### Related Party Transactions not approved under this Policy

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification (subject to terms of this Policy), revision or termination of the Related Party Transaction. The Audit Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

#### Disclosures

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

The Company shall submit information related to RPTs to the stock exchanges every six months, in the format specified by the SEBI LODR, simultaneously with the publication of financials and also publish the same on its website.

Provided that the remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure provided that the same is not material in terms of the provisions of sub regulation (1) of SEBI LODR.

The Company shall disclose policy on dealing with Related Party Transactions on its website and also in the Annual Report.

RPTs shall be disclosed in Annual Report, as per applicable provisions of Act and SEBI LODR

#### Policy Review

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI LODR. In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations (“the Regulations”) which makes any of the provisions in the policy inconsistent with the Regulations, the

provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the Regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors.