

POLICY OF RELATED PARTY TRANSACTIONS

PREAMBLE:

The Companies Act, 2013 aims at enhancing Corporate Governance by clearly define the duties of directors and fixing additional responsibilities and defining the attributes and the role of independent director to preserve their independence. It has increased the responsibility of auditors by imposing certain restrictions on providing services other than audit and huge penalties to ensure their independence. Disclosure of related party transactions and approvals for such transactions is one such area which is intended to prevent directors, Key managerial person from taking undue advantage of their position of their personal benefit and ensure transparency in dealings of the company.

POLICY:

The Board of Directors (the "Board") of **Phoenix Township Limited (PTL)** (the "Company"), has adopted the following policy and procedures with regard to materiality of and dealing with Related Party Transactions as defined below. This policy is to regulate transactions between the Company and Related Parties based on the applicable laws and regulations applicable to the Company

POLICY AND OBJECTIVE:

This policy is framed as per requirements of Regulation 23 of the Listing Regulations and intends to ensure the proper approval and reporting of transactions between the Company and its related party.

DEFINITIONS:

The key terms used in the Policy are defined hereinunder:

"Arms 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" means Committee constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Regulations and the Companies Act, 2013.

"Board of Director" or "Board" means the Board of Directors of Phoenix Township Limited (PTL), as constituted from time to time.

"Company" mean Phoenix Township Limited.

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

"Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

"Ordinary course of business" would include usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and all such activities which the Company can undertake; per its Memorandum of Association and Articles of Association.

"Policy" means this Policy on materiality of and dealing with Related Party Transactions.

"Regulations" or **"Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

"Related Party" means related party as defined in Regulation 2(1)(zb) of the Listing Regulations which is as follows:

- (i) Such entity is a related party under Section 2(76) of the Companies Act, 2013: or
- (ii) Such entity is a related party under the applicable accounting standards.

"Related Party Transaction" means such transactions as specified under section 188 of the Companies Act, 2013 or rules made there under and Regulation 2(1)(zc) of the Listing Regulations including any amendment or modification thereof, as may be applicable.

"Relative" means relative as defined under the Companies Act, 2013.

"Transaction" with a related party shall be construed to include a single transaction or a group of transactions.

All capitalized terms used in this Policy but not defined herein shall have the meaning ascribed to such terms in the Companies Act, 2013 and Rules framed there under and the Listing Regulations, as amended from time to time. This Policy is applicable to all Related Party Transactions entered into on or after 1st December, 2015.

IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS:

All Related Party Transactions must be brought to the notice of the Audit Committee of the Company. All Directors and Key Managerial Personnel are responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. The Audit Committee would determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

APPROVAL OF RELATED PARTY TRANSACTIONS:

All Related Party Transactions shall require prior approval of Audit Committee in accordance with this Policy. However, the Audit Committee may grant omnibus approval to Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy.
- b. The proposed transaction shall be of repetitive in nature.

Such omnibus approval will be granted to the transactions which, in addition to meeting the above criteria, also satisfy the following conditions:

- i. The transaction in question is necessary to be executed as it is in the business interest of the Company;
- ii. Such omnibus approval shall specify:-
 - a. the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - b. the indicative base price / current contracted price and the formula for variation in the price if any, and
 - c. such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 Crore per transaction.
- iii. Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given.
- iv. Such omnibus approvals shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals after the expiry of one year.

Any member of the Audit Committee, who has a potential interest in any Related Party Transactions, shall abstain from voting on the approval or ratification of such Related Party Transactions. Such member may, however, participate in discussions with respect to other Related Party Transactions placed for approval of the Audit Committee.

MATERIAL RELATED PARTY TRANSACTION:

All Material Related Party Transactions shall be placed for approval of shareholders through Resolution and related parties shall abstain from voting on such resolutions.

NON-APPLICABILITY OF APPROVAL OF AUDIT COMMITTEE AND SHAREHOLDERS:

The approval of Audit Committee and Shareholders shall not be required if the Company's transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the

general meeting for approval and such transactions are in ordinary course of business and on Arm's Length basis.

Provided such Related Party Transactions including transactions pursuant to section 188 of the Companies Act, 2013 which are not in the ordinary course of business and / or not on Arm's Length basis and which crosses the threshold limits as prescribed under the Companies Act, 2013 shall require the approval of shareholders of the Company through Resolution and the related parties shall abstain from voting on such resolutions.

INTEREST OF MEMBER:

Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction. Also all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

EXCEPTIONS:

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders, subject to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder:

- i. Any transaction that involves the director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii. 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.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, such matter shall be reviewed by the Audit Committee. 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 and shall take any such action it deems appropriate.

The Policy on dealing with Related Party Transactions is to be disclosed on the Company's official website and a web link thereto would be disclosed in the Annual Report of the Company. Details of all Material Related Parties Transactions shall be disclosed, on quarterly basis, along with the compliance report of corporate governance, to the stock exchanges.

In addition to the disclosures required under Accounting Standard, Related Party Transactions that are not at arm's length basis and / or in ordinary course of business and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.

AMENDMENTS TO THE POLICY:

The Audit Committee of the Company shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.
