

Standard Chartered Investments and Loans (India) Limited [SCILL]

Related Party Transactions (RPT) Policy

Policy Title	Standard Chartered Investments & Loans (India) Ltd (SCILL) – RPT Policy
Version Number	
Applicability	As per Companies Act 2013, Applicable Accounting Standards and as amended from time to time
Geography	India
Effective Date	Immediate
Board Approval Date	September 11, 2019
Next Review Date	One year from the effective date. Update to be done for change in Local / Group requirements.
Purpose & Scope	This Policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations. The Board of Directors of the Company will review and, if required, amend this Policy from time to time and such amended Policy shall also be in conformity with the provisions of the Companies Act 2013, including the Rules made thereunder and must be approved in the manner as may be decided by the Board of Directors.
Policy Owner (name & title)	The establishment and monitoring of the RPT policy of SCILL is the responsibility of the Audit Committee
Approving Authority	SCILL Board

a) **Preamble:**

This Policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations. The Board of Directors of the Company will review and, if required, amend this Policy from time to time and such amended Policy shall also be in conformity with the provisions of the Companies Act 2013, including the Rules made thereunder and must be approved in the manner as may be decided by the Board of Directors.

b) **Definitions:**

(1) **'Related Party'** with reference to the Company shall mean and include a related party as defined under:

- i) Section 2(76) of the Companies Act, 2013; or
- ii) Applicable accounting standards.

(2) A **'Related Party Transaction' (RPT)** shall mean and include following transactions with Related Parties :

- i) any contract or arrangement as defined under Section 188(1) of the Companies Act, 2013; or
- ii) Transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged.

RPT shall be construed to include single transaction or a group of transactions in a contract.

c) **Arm's length principle:**

All RPTs are generally entered into by the Company on an arm's length basis, i.e. as if the parties were unrelated, so that there is no conflict of interest.

d) **Prior approval of Audit Committee:**

All RPTs or any subsequent modification thereof shall require prior approval of the Audit Committee as per the applicable requirements of the Companies Act, 2013.

(1) In case of RPTs which are repetitive in nature, the Audit Committee may grant omnibus approval.

Such omnibus approval may specify:

- (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- (ii) the indicative base price / current contracted price and the formula for variation in the price, if any; and
- (iii) such other conditions as the Audit Committee may deem fit.

While granting such omnibus approvals, the Audit Committee may specify that the omnibus approval shall be valid for a period not exceeding one year or such other period as it may deem fit. Fresh approval of the Audit Committee shall be required after the expiry of the said period.

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding One Crore per transaction or such other amount as the Audit Committee may deem fit.

(2) Further criteria for granting omnibus approval by Audit Committee are as follows:

- (a) Maximum value of the related party transactions, in aggregate, should not exceed Rs. One Crore in a financial year under the omnibus route;
- (b) Maximum value per related party transaction should not exceed One Crore under the omnibus route.
- (c) Omnibus approval shall not be granted for:
 - (i) transactions in respect of selling or disposing off of the undertaking of the Company;
 - (ii) transactions which require Board/Shareholders approval as per the requirements of the Companies Act, 2013.
- (d) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

e) Prior approval of the Board of Directors

All RPTs within the meaning of the Section 188 shall require prior consent of the Board of Directors given by way of a resolution passed at a meeting of the Board.

While giving such prior consent, the Board of Directors may specify such conditions as it may deem fit.

However, no such approval of the Board of Directors shall be required in case of RPTs entered into by the Company in its ordinary course of business and on an arm's length basis.

f) Approval of RPTs by shareholders

- (1) All RPTs within the meaning of Section 188 of the Companies Act, 2013 exceeding threshold specified therein shall require prior approval of the shareholders of the Company through special resolution.

However, no such approval of the shareholders is required in case of RPTs entered into by the Company in its ordinary course of business and on an arm's length basis.

- (2) No member of the Company shall vote on such resolution if such member is a Related Party.

g) Disclosure requirements

- (1) All RPTs shall be placed before Audit Committee on a quarterly basis for its review.
- (2) Disclosures in compliance with the applicable Accounting Standards on RPTs shall be made by the Company in its Annual Report.
- (3) Every RPT within the meaning of Section 188 of the Companies Act, 2013 shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

- (4) Every RPT within the meaning of Section 188 of the Companies Act, 2013 shall be entered into the register required to be kept under Section 189 of the Companies Act, 2013.