

Hybrid Financial Services Limited

[Formerly known as Mafatlal Finance Company Limited]

HYBRID FINANCIAL SERVICES LIMITED

Policy on Related Party Transactions of Hybrid Financial Services Limited

(A) OBJECTIVE

This policy is framed as per the requirement of the Companies Act, 2013 and revise Clause 49 (effective from October 1, 2014) of the Equity Listing Agreement entered into by the Company with the Stock Exchanges. The Policy is intended to ensure that there is proper approval and reporting and reporting of transactions between the Company and its related parties.

The Board of Directors (the 'Board') of Hybrid Financial Services Limited (the 'Company' or 'HFSL') has adopted the following Policy and Procedures with regard to related Party Transactions as defined below. The Audit Committee / Board may amend this Policy as required from time to time.

(B) DEFINITIONS

All the definitions used in this policy shall have the meaning as referred to in the applicable laws and regulations including the Companies Act, 2013 and the Listing Agreement, as amended from time to time.

(C) IDENTIFICATION OF RELATED PARTIES

All the Directors and Key Managerial Personals have to disclose all the Companies / Entities where they or any of their relatives are deemed to be interested. For this purpose the meaning of the term interest shall mean shareholding beyond 25% Directly or occupying any Key Managerial Position. Relatives shall consist of immediate family relatives as defined in the Act.

All contracts entered prior to the implementation of the Companies Act, 2013 shall continue till expiry.

The Company shall maintain the Registers prescribed under the Act.

(D) IDENTIFICATION OF RELATED PARTY TRANSACTIONS

As a policy, Company shall periodically identify transactions falling under contracts and arrangements (as per the Applicable Law) entered into with related parties for the consent of the Audit Committee, Board of Directors and Shareholders, as applicable.

The Company shall report the Related Party and put the same for necessary approvals required as per the Applicable Law.

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(E) APPROVALS FOR TRANSACTIONS WITH RELATED PARTIES

Before undertaking any transaction, the Company shall determine whether a transaction does, in fact constitute a Related Party Transaction requiring compliance with the applicable law and this policy and if so, ascertain in which of the following categories such transaction should be classified in order to determine the approval requirements:

1. All transactions with related parties which are not in the ordinary course of business or not as per arm's length pricing or both will be put up to Audit Committee and then for prior approval of the Board in line with the applicable Law. In case the transaction exceeds Rs.30 Lacs per annum or the prescribed limits / threshold under the Act will be also put up for prior approval of the shareholders.
2. The Audit Committee may grant omnibus approval to related party transactions that are repetitive in nature provided the Audit Committee is satisfied about the need for such omnibus approval and that such approval is in the interest of the Company. Such omnibus approval shall specify (i). name 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. 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. One Hundred Lakhs per transaction per subsidiary. Audit Committee shall review on a quarterly basis the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Voting on related party transactions will be carried out in accordance with the Applicable Law.

(F) DISCLOSURES AND REPORTING

1. Disclosure will be made in the Company's Annual Report of the particulars of the contract and arrangement along with the justification for entering into such contracts / arrangements with the Related Parties as part of the Director's Report.
2. The Policy will be uploaded on HFSL's website and a we link thereto shall be provided in the Annual report.

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AMENDMENTS TO THE POLICY

The Audit Committee of the Company may from time to time review and make recommendation to the Board to amend this policy.