

Related Party Transactions Policy

Xchanging Solutions Limited

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Owner: Company Secretary on behalf of the BOARD

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1 PREAMBLE

This policy on related party transactions (“Related Party Transactions Policy” or “RPT Policy”) has been formulated, in consultation with Audit Committee, in pursuance of Clause 49 of the Listing Agreement and approved by the Board of Directors at its meeting held on November 7, 2014.

The RPT Policy is to ensure the proper approval, regulation and reporting of transactions between the Company and its related parties.



2 DEFINITIONS

“Audit Committee” means Committee of Board of Directors of the Company.

“Board” means Board of Directors of the Company

“Company” means Xchanging Solutions Limited

“Related Party” means an entity which:

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

“Related Party Transaction” means transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged, which shall be construed to include single transaction or a group of transactions in a contract.

“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.



3 TRANSACTIONS COVERED UNDER THE POLICY

Following transactions entered with a Related Party are considered as Related Party Transactions:

- 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.



4 APPROVAL PROCESS

A. Approval of Audit Committee

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

However, the 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 Audit Committee shall, in line with this RPT Policy, grant the omnibus approval on Related Party Transactions of the Company in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c. Such omnibus approval shall 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;

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 INR 10 million per transaction.

- 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. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

B. Approval of Board of Directors

All Related Party Transactions, which are not in ordinary course of business / not at arm's length, shall require prior approval of the Board of Directors. Where any director of the Company is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

C. Approval of the Shareholders

All Material Related Party Transactions, which are not in ordinary course of business / not at arm's length, shall require prior approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions. All Material Related



Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions. 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.

The requirement of approval of Shareholders is not applicable for the transactions entered into with wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

In case of wholly owned subsidiary, the special resolution passed by the Company shall be sufficient for the purpose of entering into the transactions between wholly owned subsidiary and the Company.



5 RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

After the date of approval of this RPT Policy by the Board, if any Related Party Transaction entered into with a Related Party without approval under this RPT Policy prior to its consummation, the Audit Committee shall consider all the relevant facts and circumstances pertaining to such Related Party Transaction, and shall make its recommendation, including ratification, revision or termination of the Related Party Transaction.



6 AMENDMENTS TO THE POLICY

The Board of Directors, on its own and / or as per the recommendations of Audit Committee can amend this Policy as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.



7 GOVERNING LAW

This Policy on Related Party Transactions shall be governed by the Companies Act, 2013 read with Rules made thereunder, as may be in force for the time being as well as Clause 49 of the Listing Agreement or such other Rules / Regulations, as may be notified by SEBI from time to time.



Revision history

Version	Date	Author	Brief description
v1.0	7/11/2014	Board of Directors	Review on the basis of amendment in governing law.

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