



RELATED PARTY TRANSACTION POLICY -XCHANGING SOLUTIONS LIMITED

This revised Related Party Transaction Policy shall come into effect from April 1, 2019

1. PREAMBLE

This policy on related party transactions (“Related Party Transactions Policy” or “RPT Policy”) has been formulated, in compliance with the requirements of the Companies Act 2013 and Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time (the Regulations).

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

2. DEFINITION

- a) “Audit Committee” means Committee of Board of Directors of the Company constituted under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Companies Act, 2013.
- b) “Board” means Board of Directors of the Company.
- c) “Companies Act, 2013” means the Companies Act, 2013 read with the Rules framed thereunder (including any modification(s) / amendment(s) / re-enactment(s) thereof) (the “Act”)
- d) “Companies Act, 2013” means the Companies Act, 2013 read with the Rules framed thereunder (including any modification(s) / amendment(s) / re-enactment(s) thereof).
- e) “Company” means Xchanging Solutions Limited.
- f) “Key Managerial Personnel” means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;
- g) “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.

Provided that any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company shall be deemed to be a related party.

- h) “Related Party Transaction” means a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:
- i) “Relative” means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.
- j) “Material Related Party” means a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or Rs. 100 Cr. whichever is less.

Further, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual



consolidated turnover of the Company as per the last audited financial statements of the Company or Rs. 25 Cr., whichever is less.

3. TRANSACTIONS COVER UNDER THIS RPT 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

I) AUDIT COMMITTEE

- a) All related party transactions shall require prior approval of the audit committee.
- b) Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely-
 - i. the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
 - ii. the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;
 - iii. the omnibus approval shall specify:
 - a) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered,
 - 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 rupees one crore per transaction.

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



II) 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.

III) APPROVAL OF THE SHAREHOLDERS

All material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related 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.

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.

5. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER RPT 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. DISCLOSURE

The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

7. AMENDMENTS TO THE RPT POLICY

The Board of Directors, on its own and / or as per the recommendations of Audit Committee can amend RPT Policy as and when deemed fit. Any or all provisions of RPT 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 RPT Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and RPT Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Incorporated w.e.f.: November 7, 2014
Revised w.e.f: April 1, 2019