

DATAMATICS GLOBAL SERVICES LIMITED

RELATED PARTY TRANSACTIONS POLICY

I. PURPOSE OF THIS POLICY

Related Party Transactions Policy of Datamatics Global Services Limited (the “Company”) is framed as per requirement of amended Clause 49 of the Listing Agreement and Section 188 Companies Act, 2013, intending to ensure the proper approval and reporting of transactions between the Company and its related parties. The Company recognizes that related party transactions may result in potential or actual conflict of interest and may raise question about whether such transaction are consistent with the Company’s and its stockholders’ best interest. Hence the Company has adopted this Policy for dealing with such transactions.

II. DEFINITIONS

- **Arm’s length transaction:** “Arm’s 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 or Committee:** “Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.
- **Key Managerial Personnel:** “Key Managerial Personnel” means those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise. It also refers to key managerial personnel as defined under the Companies Act, 2013 and includes:
 - ◆ Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
 - ◆ Chief Financial Officer; and
 - ◆ Company Secretary.
- **Material Related Party Transaction:** “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 amounts as per the table below:

Prescribed transaction categories	Amount Limit to be exceeded to qualify as a material transaction
Sale/Purchase or supply of goods or material directly or through an agent	Exceeding ten percent of the turnover of the Company or rupees one hundred crore, whichever is lower (*)
Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	Exceeding ten percent of net worth of the Company or rupees one hundred crore, whichever is lower (*)
Leasing of property of any kind	Exceeding ten percent of net worth of the Company or ten percent of turnover of the Company or rupees one hundred crore, whichever is lower (*)
Availing or rendering of any services, directly or through appointment of agent	Exceeding ten percent of turnover of the Company or rupees fifty crore, whichever is lower (*)
Appointment to any office or place of profit in the Company, its subsidiary company or associate company	Remuneration exceeding two and half lakh rupees per month.
Remuneration for underwriting the subscription of any securities or derivatives of the Company	Remuneration exceeding one percent of net worth

(*) Applies to transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

- **Policy:** “Policy” means Related Party Transactions Policy.
- **Related Party:** “Related Party” means a related party as defined means related party as defined under the Companies Act, 2013 read with Clause 49 of the Listing Agreement and as amended from time to time.
- **Related Party Transaction:** “Related Party Transaction” means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether or not a price is charged.
- **Relative:** “Relative” means relative as defined under the Companies Act, 2013 and includes any one who is related to another, if –
 1. They are members of a Hindu undivided family;
 2. They are husband and wife;
 3. Father (including step-father);

4. Mother (including step-mother);
5. Son (including step-son);
6. Son's wife;
7. Daughter;
8. Daughter's husband;
9. Brother (including step-brother);
10. Sister (including step-sister).

who may be expected to influence, or be influenced by, that individual in his/her dealings with the reporting enterprise.

III. PROCEDURE

1. Identification of Related Party Transaction:

- Every director and Key Managerial Personnel is responsible for providing notice to the Company Secretary, who shall forward the same to Audit Committee or Board for their consideration, of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Audit Committee/Board may reasonably request. Such notice of any potential Related Party Transaction shall be given well in advance so that the Board/Audit Committee has adequate time to obtain and review information about the proposed transaction.
- All Related Party Transactions shall require prior approval of Audit Committee.
- Further, 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.

2. Review and Approval by Audit Committee:

- The details of such transaction with all the relevant information/ documents relating to the proposed Related Party Transaction(s) shall be placed before the Audit Committee, which inter alia shall include:
 - (a) The name of the related party and nature of relationship;
 - (b) The nature, duration and particulars of the contract and particulars of the contract or arrangement; such as business purpose of the transaction, the benefit of the contract or arrangement to the Company/ Related Party etc.
 - (c) The material terms and conditions of the contract or arrangement including the value, if any;
 - (d) Any advance paid or received for the contract or arrangement, if any;
 - (e) The manner of determining the pricing and other commercial terms, both included as part of contract and not Considered as part of the contract;

- (f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
 - (g) Any other information relevant or important for the Audit Committee and/or Board to take a decision on the proposed Related Party Transaction.
- Audit Committee will either approve or reject the related Party Transaction by considering the information and documents.

3. Approval by Board:

The following Related Party Transactions shall, after the approval of the Audit Committee, also be placed before the Board of Directors for approval;

- Transaction not at arm's length.
- Transaction not in ordinary course of business.
- Material Related Party Transactions.
- Any other transactions which may not qualify to be related Party Transaction under the Act but which qualifies to be Related Party Transaction under Clause 49 and which require the approval of the shareholder.

Where any director 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.

4. Approval by Shareholders:

- The contract or agreement shall not be entered into with Related Party, except with the prior approval of the shareholders by way of a special resolution wherever necessary under the Companies Act, 2013 read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and for Material Related Party Transaction under Clause 49 of Listing agreement.
- The notice for such approval shall be attached with the explanatory statement which inter alia includes the following:
 - ◆ Name of the related party ;
 - ◆ Name of the director or key managerial personnel who is related, if any;
 - ◆ Nature of relationship;
 - ◆ Nature, material terms, monetary value and particulars of the contract or arrangement;
 - ◆ Any other information.

- The concerned related party or any interested director shall not vote on such special resolution relating to the contract or arrangement which is proposed to be entered into by the Company.

IV. RATIFICATION OF EXCEPTIONAL CASES

Where any contract or arrangement is entered into by a director or any other related party, without obtaining the consent of the Audit Committee or the Board or approval by a special resolution in the general meeting, wherever applicable, may be ratified by the Audit Committee and/or Board or, by the shareholders as the case may be, at a respective meeting as permitted in Companies Act, 2013, provided that such Director or any other employee who had authorized such transaction agrees to indemnify the Company against any loss incurred by the Company.

V. EXEMPTED TRANSACTIONS

Related Party Transactions which are entered into by the Company in the **ordinary course of business** and on **Arms Length basis** are exempted from any approvals.

VI. DISCLOSURES

- Every contract or arrangement entered into as Related Party shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- Details of all Material Related Party transactions shall be disclosed quarterly along with the compliance report on corporate governance.
- This Policy shall be disclosed on the website of the Company at www.datamatics.com and a weblink thereto shall be provided in the Annual Report of the Company.

VII. AMENDMENT

The Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Amendment may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company.
