



Indo-City Infotech Limited

CIN : L51900MH1992PLC068670

POLICY ON RELATED PARTY TRANSACTIONS (Effective 17th January, 2022)

This Policy on Materiality of Related Party Transactions and on dealing with related party transactions has been framed under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirements of Section 188 of the Companies Act, 2013 and rules thereunder and Clause 49 of the Listing Agreement with the Stock Exchange.

Definitions:

“Act” means Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

“Arm’s Length basis” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determining Arm’s Length basis, guidance may be taken from the transfer pricing provisions under the Income -tax Act, 1961.

“Audit Committee” means the audit committee constituted by the board of directors of the company in accordance with the provisions of Section 177 of the Companies Act, 2013 read with amended clause 49 of the Listing Agreement.

“Board of Directors or Board” means the members of the board of directors of the Company.

“Company” means Indo-City Infotech Limited.

“Key Managerial Personnel” means the Key Managerial Personnel of the Company in terms of the Act.

“Listing Agreement” means Equity Listing Agreement of the Company with the stock exchange.

“Material Related Party Transaction” means a Related Party Transaction which 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 or such limits as may be prescribed either in the Companies Act, 2013 and the Rules made thereunder or the Listing Regulations, whichever is stricter, from time to time.

“Policy” means the current Policy on Related Party Transactions, including amendments, if any, from time to time.

“Related party” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.





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“Relative” means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

“Related party transaction” means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and includes–

- (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.

“SEBI Listing regulations/Listing regulations” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract.

This Policy lays down the following principles and guidelines for dealing with Related Party Transactions:

1. The Company shall enter into transactions with related parties only on an arm's length basis, supported by agreement or formal letter. If the transaction is not on arm's length basis, then, necessary compliances under SEBI Listing Regulations, Companies Act, 2013 and Listing Agreement will be adhered to.
2. All related party transactions shall require prior approval of the audit committee, whether at a meeting or by resolutions by circulation.

Any member of the audit committee who has a potential conflict of interest in any Related Party Transaction shall not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

To review a related party transaction, the audit committee shall be provided with necessary information, to the extent relevant, with respect to actual or potential related party transactions and/or prescribed under the applicable acts, rules and regulations.





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The Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's Length basis, in accordance with the relevant acts, rules and regulations.

3. Consent of the Board would be taken in respect of all Related Party Transactions which are –
- i. Not in the ordinary course of business or
 - ii. Not on arm's length basis.

The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-

- a. the name of the related party and nature of relationship;
- b. the nature, duration of the contract and particulars of the contract or arrangement;
- c. the material terms 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 Board to take a decision on the proposed transaction.

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. Prior approval of the company (members of the company) by a resolution would be taken in respect of Related Party Transactions, which are –
- i. material transaction as per Regulation 23 of the Listing Regulations, or
 - ii. not in the ordinary course of business, or
 - iii. not at arm's length price;
- and
- iv. exceed certain thresholds prescribed under the Companies Act, 2013.

Any member, who is a Related Party, shall not participate in discussion and voting on resolution for approving such related party transaction.

5. In the event the company becomes aware of a related party transaction with a related party that has not been approved under this policy prior to its consummation, the company would obtain post facto approval from the audit committee. In case the company is not able to take prior approval from the audit committee, such a





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transaction shall not be deemed to violate this policy, or be invalid or unenforceable, so long as the transaction is informed to the audit committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy. The audit committee shall consider all relevant facts and circumstances regarding the related party transaction and shall evaluate all options available to the company, including ratification, revision or termination of the related party transaction.

6. Details of any material related party transaction shall be disclosed to the stock exchange quarterly along with the compliance report on corporate governance.

Scope and Limitation:

In the event of any conflict between the provisions of this policy and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations / Act or statutory enactments, rules shall prevail over this policy and the part(s) so repugnant shall be deemed to repealed from the policy and the rest of the policy shall remain in force.

Amendment in law:

Any subsequent amendment(s)/modification(s) in the applicable laws in this regard shall automatically apply to this policy.

Review of the Policy:

This policy shall be subject to review as may be deemed necessary and in accordance with any statutory/regulatory requirements.



Signature