

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS

1. PURPOSE

Related Party Transactions Policy of Quest Softech (India) Limited (The "Company") is framed as per requirement of amended Clause 49 of the Listing Agreement, Listing Obligation and Disclosure Requirement (LODR), Regulations, 2015 and Section 188 Companies Act, 2013, intending to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

2. APPLICABLE LAWS

CA'13 in this Policy shall be construed as the Companies Act, 2013 (as amended from time to time).
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

3. RELATED PARTY:

A person/ entity are related to a company if:

- a) such person/ entity is related to the company in the manner specified under Sections 2(76) & 2(77) of the Companies Act, 2013 and/ or Regulation 2 (zb) of the Regulations; or
- b) such person/ entity are a related party under the applicable accounting standards.

4. RELATED PARTY TRANSACTIONS

The term "related party transactions" refers to any contract or arrangement with a related party With respect to those transactions as specified under Section 188(1) of the Companies Act, 2013; and Clause 2 (zc) of the Regulations.

5. RELATIVE:

With reference to any person, means anyone who is related to another as defined by Section 2(77) of the CA'13 & Regulation 2(zd) of the Regulations

6. KEY MANAGERIAL PERSONNEL (KMP):

KMP are defined under Section 204 of the CA'13.

7. MATERIAL RELATED PARTY TRANSACTIONS

All transactions with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds thresholds as specified in the CA'13 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. TERMS AND REFERENCES

All Related Party Transactions must be referred to the Audit Committee for approval in accordance with this Policy.

9. IDENTIFICATION OF RELATED PARTY AND RELATED PARTY TRANSACTIONS

A Related Party will be brought to the attention of the Management and the Board/Audit Committee on an annual basis.

Audit Committee needs to inform any change in the Related Party List to the Board to identify the Related Party Transactions.

10. DECISION REGARDING TRANSACTION IN ORDINARY COURSE OF BUSINESS AND AT ARM'S LENGTH

The Audit Committee or the Board shall after considering the materials placed before them judge if the transaction is in the ordinary course of business and meets the arm's length requirements.

11. APPROVAL OF RELATED PARTY TRANSACTIONS

- All Related Party Transactions shall require prior approval of the Audit Committee. Audit Committee shall approve only those related party transactions which are to be entered into in ordinary course of business and at arm's length within the stipulated Threshold value limits.
- The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the conditions specified by the Regulations and as per the defined criteria.
- Except with the consent of the Board of Directors and subject to such conditions as Prescribed in the CA'13, no company shall enter into related party transactions which are not in ordinary course of business and/or not at arm's length price but whose value is within the limits as prescribed in the CA'13 and rules made there under.
- Related party transactions which are not in ordinary course of business and/or not at arm's length price and whose value exceeds the limits as prescribed in the CA'13 and rules made there under shall take be executed only after obtaining the prior approval of the company by a resolution of shareholders in the General meeting.
- 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.
- Details of all related party transactions as approved by the Audit Committee and/ or the Board, as the case may be, shall be placed before the Audit Committee and/ or the Board on quarterly basis for their review.

12. REGISTERS OF CONTRACTS OR ARRANGEMENTS

A Register of Contracts/ Arrangements as prescribed in the CA' 13, shall be maintained at the registered office of the company and the register shall be preserved permanently and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for the purpose, containing particulars of contracts or arrangements with a related party with respect to transactions requiring approval of the Board/ General Meeting and other particulars as prescribed.

13. INTERPRETATION

In any circumstance where the terms of these Policies and Procedures differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as these Policies and Procedures are changed to conform to the law, rule, regulation or standard.

14. DISCLOSURE OF THE POLICY

The Company will also disclose the details of all material Related Party Transactions on a quarterly basis, *if any*, along with the compliance report on corporate governance filed with the stock exchanges under amended clause 49 of the Listing agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. POLICY REVIEW

In case of any subsequent changes in the provisions of the Regulations, the Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Audit Committee.
