

POLICY ON RELATED PARTY TRANSACTIONS

PREFACE:

This policy has been framed for regulating transactions of the Company with Related Parties pursuant to the requirements of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time.

DEFINITIONS:

"Company" means CyberTech Systems & Software Limited

"Related Party" shall have the same meaning as defined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Related Party Transaction ("RPT") shall be those specified under Section 188 (1) of the Companies Act, 2013 and also as defined under Listing Agreement.

"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.

"Materiality": The materiality of any RPT will be ascertained as per the thresholds prescribed under the Listing Agreement or the Companies Act, 2013.

POLICY:

1. The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with Wholly Owned Subsidiaries (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval).
2. Notice of any potential Related Party Transaction shall be given in advance to the Company Secretary so that the Company Secretary has adequate time to place the matter for review to the Audit Committee.
3. The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the 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.

4. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
5. The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available, up to a value of Rs.1 crore, per transaction. The details of such transaction would be placed at the next Audit Committee meeting for ratification.
6. The 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 approval given.
7. In the event, any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.
8. Prior approval of the Shareholders of the Company would be taken in respect of following Related Party Transactions viz.,
 - i. Where the transactions are above the threshold limits specified under Section 188 of Companies Act, 2013 & Rules thereunder OR
 - ii. Where the transactions are not in its ordinary course of business and are not on an arms' length basis; OR
 - iii. Where the transactions 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.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into, either individually or taken together with previous transactions during a financial year, exceeds two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

DISCLOSURE:

Disclosures of related party transactions on a consolidated basis, in the format specified shall be submitted within 30 days from the date of publication of its standalone and consolidated financial results for the half year as per the relevant Indian accounting standards for annual results to the stock exchanges and publish the same on its website.

If any Related Party Transaction is not falling under the sub-points specified in point (8) above, approval of Board and Shareholders of the Company is not required.

VOTING:

In case of RPT requiring Board's approval, any director who is interested in RPT will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction. In case of RPT's requiring shareholders resolution, all the Related parties will abstain from voting on such resolution.

AMENDMENTS:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

In any circumstance where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the said law, rule, regulation or standard.

The Policy is updated pursuant to periodical review by the Board of Directors as on February 04, 2019.