

HINDUJA GLOBAL SOLUTIONS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. Introduction

This policy is framed by Hinduja Global Solutions Limited (“the Company”), pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that came into force from December 1, 2015, in substitution of earlier Policy framed pursuant to Clause 49 of the erstwhile Listing Agreement.

Further on May 9, 2018, SEBI notified SEBI (Listing Obligations and Disclosure Regulations), Amendment Regulations, 2018 modified time to time, which shall be effective from April 1, 2019 (“Amended Regulations”).

This Policy is modified by the Company pursuant to the above Amended Regulations.

2. Key Definitions

- a) **“Act”** means Companies Act, 2013 including any statutory modification or re-enactment thereof;
- b) **“Board”** means Board of Directors of the Company.
- c) **“SEBI Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification or re-enactment thereof.
- d) **“Related Party”** with reference to the Company, means an entity where:
 - (i) Such entity is a related party as defined under section 2(76) of the Companies Act, 2013; or
 - (ii) Such entity 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 listed entity shall be deemed to be a related party.
- e) **“Related Party Transactions”** means a transaction between the Company and a Related Party which transaction is of the nature specified in sub-clause (a) to (g) of section 188 (1) of the Companies Act 2013, or is a related party transaction as stipulated under Regulation 2(1)(zc) of the SEBI Regulations.

Interpretation

For the purpose of this Policy, the terms shall have the same meanings as assigned in the relevant Act, Rule, Regulation or Standard as the case may be.

In any circumstance where the terms of this policy 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 this policy is changed to conform to the law, rule, regulation or standard.

3. Transactions between Company and Related Parties, Materiality Threshold

Transactions between Company & Related Parties shall be entered into in a manner that is compliant with the applicable provision of the Companies Act, 2013 and of Regulation 23 of the SEBI Regulations.

A transaction with a Related Party shall be treated as “material” if the transaction /transactions to be entered into individually or taken together with the previous transaction(s) during a financial year with such related party exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such sum as may be prescribed under SEBI Regulations.

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(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent or such percentage as may be prescribed by SEBI, from time to time, of the annual consolidated turnover of the Company as per last audited financial statements of the Company.

4. Internal processes in regard to Related Party Transactions

The Company shall with the approval of the Audit Committee and the Board of Directors, establish appropriate internal processes for the purpose of identification of Related Parties and any transactions with them, determination of whether the transaction(s) is in the ordinary course of business, whether the transaction(s) is on an arm's length basis, monitoring “materiality” threshold, and other relevant matters to ensure adherence to this policy in entering into transactions with Related Parties.

5. 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. However, no such amendment or modification shall be inconsistent with the applicable provision of the SEBI Regulations, Act or any law for the time being in force.

The Board of Directors of the Company has adopted this Policy and would review the Policy at least once every three years and update accordingly.

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