POLICY ON RELATED PARTY TRANSACTIONS

INTRODUCTION

The Companies Act, 2013 (Act) read with the Companies (Meetings of Board and its Powers) Rules, 2014 (Rules) introduced specific provisions relating to Related Party transactions and defined the term related parties, (material) related party transactions, relatives and key management personnel. The Act and the Rules have also laid down the financial limits and the approval process for such transactions. In addition, The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) with the objectives to make the corporate governance framework more effective, necessitates all the listed companies to formulate a policy on materiality of Related Party transactions and also a policy on dealing with related party transactions. Accordingly, the Board of Directors (the "Board") of Silverline Technologies Limited (''Company'' or "SILVERLINE''), has adopted a policy and standard operating procedures to regulate transactions between the Company and Related Parties.

APPLICABILITY

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

Transactions covered by this policy include any contract or arrangement with a Related Party with respect to transactions defined hereunder as "Related Party Transaction".

PURPOSE

This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its Related Party in the best interest of the Company and its Stakeholders.

Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws. This Policy shall supplement the Company's other policies in force that may be applicable to or involve transactions with related persons. Further, the Board may amend this policy from time to time as may be required.

The Audit Committee of Directors ("Audit Committee"), shall review, approve and ratify Related Party Transactions based on this Policy in terms of the requirements under the above provisions.

DEFINITIONS

"Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and Companies Act, 2013.

"Arm's length transaction ('ALP')" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Related Party", with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and Listing Regulations and/ or under the applicable accounting standards, as amended from time to time.

"Related Party Transaction" (RPT) 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 a price is charged.

A **"transaction"** with a related party shall be construed to include single transaction or a group of transactions in a contract.

IDENTIFICATION OF RELATED PARTY AND RELATED PARTY TRANSACTIONS:

a) Identification of related parties

Silverline has identified a list of related parties as prescribed under Section 2(76) of the Act read with the rules framed there under and Listing Regulations.

b) Identification of related party transactions

All the transactions mentioned under Section 188 of the Companies Act, 2013 and the rules framed thereunder with any amendment thereof from time to time will be regarded as related party transactions.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:

Related Party Transactions will be referred to the next scheduled Audit Committee for review and approval. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

- 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. Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee or Shareholders:

    i. Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

    ii. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

    iii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

- Approval of the Board of Directors of the Company

  As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board for its approval.

  In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

  - Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
  - Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
  - Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
  - Transactions meeting the thresholds as per Section 188 of the Companies Act, 2013, rules framed thereunder and Listing Regulations and which are intended to be placed before the shareholders for approval.

- Approval of the Shareholders of the Company

  All the transactions with related parties meeting the thresholds which as per Section 188 of the Companies Act, 2013, rules framed thereunder required prior shareholders' approval.

DISCLOSURES

Silverline shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties in the prescribed format as provided under Rule 8 of The Companies (Accounts) Rules, 2014.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the 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. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

AMENDMENTS TO THE POLICY

The Audit Committee of the Company shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.

Any or all provisions of this policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc