



RELATED PARTY TRANSACTIONS POLICY

(Effective from 1st October, 2014)

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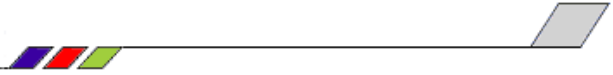
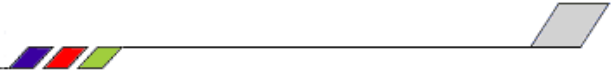


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1. PREAMBLE

The Board of Directors (“Board”) of FCS Software Solutions Limited has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

The equity listing Agreement with stock exchange mandates formulation of a policy on transactions with Related Parties and dealing with related party transactions.

2. APPLICABILITY

This policy will be applicable to the Company with effect from 1st October, 2014 to regulate transactions between the Company and its related parties based on the applicable laws and regulations.

3. PURPOSE

This policy is framed based on requirement of listing agreement entered by the Company with stock exchange and also to comply with the provisions of Section 188 of the Companies Act, 2013 and is intended to ensure the governance and reporting of transactions between the Company and its related parties.

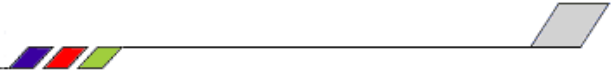
4. DEFINITIONS

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer

“Material Related Party Transaction” means a transaction with a related party if the transaction/ 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.

“Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined in Clause 49 of the Listing Agreement which is as follows:

An entity shall be considered as related to the Company if:

- (i) Such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) Such entity is a related party under the applicable accounting standards."

“Related Party Transaction” 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.

Explanation: A "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

5. POLICY

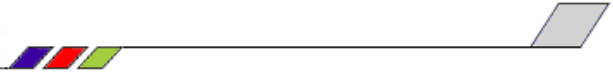
All related party transactions must be reported to the Audit Committee and referred for approval by committee in accordance with this policy.

1.1 Identification of potential related party transactions

Every Director and Key Managerial Personnel will be responsible for providing a declaration containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she is a member or Director;

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4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

The Company Secretary shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of –


1. All Directors and Key Managerial Personnel;
2. All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
3. Company's holding company, subsidiary companies and associate companies;
4. Subsidiaries of holding company;
5. Director or Key Managerial Personnel of the holding company or their Relatives;
6. All FCS Group entities; and
7. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement or the relevant Accounting Standard.

The database shall be updated whenever necessary and shall be reviewed at least once a year jointly by the Company Secretary and Chief Financial Officer. The functional / business heads / Chief Financial Officer /Company Secretary/ shall have access to the updated database.

Every Director, Key Managerial Personnel, Functional / Business heads / Chief Financial Officer will be responsible for providing prior notice to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.

5.2 Review and Approval of Related Party Transactions

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All Related Party Transactions shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or through electronic mode. A member of the Committee who (if) has a potential interest in any Related Party Transaction will not remain present at the meeting or abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such Transaction is considered.

Any member of the committee who has a potential interest in any related party transactions shall abstain from discussion and voting on the approval of the related party transactions.

If the committee determines that a related party transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the related party transaction, then the Board shall consider and approve related party transaction.

All the material related party transaction shall require approval of the shareholders through special resolution and the related parties with whom transaction is to be entered shall abstain from voting on such resolution.

6. DISCLOSURE

The particulars of contracts or arrangement with related parties referred in section 188(1) of the Companies Act 2013 should be disclosed in the Directors Report for the financial years commencing on or after April 1, 2014.

All material related party transactions that are entered into with effect from October 1, 2014, to be disclosed quarterly along with the compliance report on corporate governance pursuant to the requirements of clause 49 of the Listing Agreement.

The company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.

7. AMENDMENT

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.

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