

CRANES SOFTWARE INTERNATIONAL LIMITED
POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON
DEALING WITH RELATED PARTY TRANSACTIONS

1. Introduction and Background:

Cranes Software International Limited (“**Cranes**”) recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests.

2. Scope & Inclusion:

This policy sets definition of materiality of related party transactions and dealing with related party transactions.

3. Terms and References:

▪ **Materiality of related party transactions**

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company in terms of regulation 23 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

4. Policy

- All related party contracts / arrangements shall be entered on arms' length basis.
- In exceptional circumstances, where permitted by law, related party contracts / arrangements may deviate from the principle of arm's length, after approval from Audit Committee.
- All related party contract / arrangements shall comply with the Companies Act, 2013.
- All related party contract / arrangements shall comply with Listing Agreement.

- All related party contract / arrangements shall comply with Accounting Standards.
- All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- All international related party contract / arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- Approval of Audit Committee shall be taken for related party contracts / arrangements as required under the Companies Act and Listing Agreement.

5. **Effective Date**

This Policy of the Company shall be effective from December 1, 2015.