

**POLICY ON RELATED PARTY TRANSACTIONS
OF
THE SWASTIK SAFE DEPOSIT & INVESTMENTS LIMITED**

1. Introduction

The Board of Directors (the “Board”) of The Swastik Deposit & Investments Limited (the “Company”), 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 to the Company.

2. Purpose

This policy is framed in compliance with the applicable provisions of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules 2014 (collectively referred to as ‘Applicable Regulatory Requirements’)

The Policy is intended to ensure the proper approval and reporting of all Related Party Transactions as required by the Applicable Regulatory Requirements.

All Related Party Transaction shall be entered into by the Company in accordance with this Policy or in accordance with the Applicable Regulatory Requirements.

3. Definitions

“Act” means the Companies Act, 2013.

“Audit Committee” means the Audit Committee of the Company constituted under provisions of Listing agreement and Companies Act, 2013 and known as the Audit Committee.

“Board” means Board of Directors of the Company.

“Clause 49” means clause 49 of the Listing Agreement.

“Key Managerial Personnel” shall have the meaning as defined in section 2(51) of the Companies Act, 2013, as per which, the term means:

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director; and
- (iv) the Chief Financial Officer.

“Material Related Party Transaction” shall have the meaning as defined in clause 49(VII)(C) of the Listing Agreement.

“Policy” means this Policy on Related Party Transactions.

“Relative” means relative as defined under Section 2(77) the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014.

“Related Party” means related party as defined in section 2(76) of the Act and Clause 49 of the Listing Agreement.

“Related Party Transaction” refers to those transactions that are covered under the scope of section 188 of the Act and Clause 49 of the Listing Agreement.

“Related Party Transactions Exempt under the Act” means those Related Party Transactions which fulfil the following two criteria and which are exempt from the requirements of Board and Shareholder approvals:

- a) Such transaction is undertaken in the ordinary course of business; and
- b) Such transaction is undertaken on an arm’s length basis (i.e. the transaction is conducted between the related parties as if they were unrelated, so that there is no conflict of interest);

“Related Party Transactions Exempt under Clause 49” means those Related Party Transactions which are exempt from the requirements of Audit Committee and Shareholder approvals, viz:

- a) Transactions between the Company and its wholly-owned subsidiary, whose accounts are consolidated with that of the Company and placed before the shareholders at the general meeting for approval. Since the company currently does not have a subsidiary this clause is currently not applicable to the Company;
- b) Transactions between two Government Companies (not applicable to the Company);

Words in this Policy which are not included in the Definition Clause shall have the same meaning as defined in the Act or in Clause 49 of the Listing Agreement as the case may be.

4. Policy

4.1 Disclosure by Directors and Key Managerial Personnel of interests or potential interests in any Related Party Transaction

Each Director and Key Managerial Personnel shall disclose to the Board, any interest that he or his Relative or any entity in which he may be concerned or interested, may have in a transaction or proposed transaction by the Company, that is or is likely to be a Related Party Transaction.

Such notice shall be provided well in advance so that the Board has adequate time to obtain and review information about the proposed transaction.

4.2 Identification of Potential Related Party Transactions

All disclosures received from Directors and Key Managerial Personnel shall be processed by the Company, to identify any potential Related Party Transaction. Where any such potential Related Party Transaction is so identified, the same shall be processed for requisite approvals as required under Applicable Regulatory Requirements.

4.3 Review and Approval of Related Party Transactions

Annexure A provides the approval matrix that will be followed by the Company for all Related Party Transactions.

4.4 Criteria for approving Related Party Transactions

The Audit Committee (and where applicable, the Board) shall consider, inter alia, the following criteria, while approving Related Party Transactions:

- a) Whether the Transaction covered by the Related Party Transaction is in the ordinary course of business of the Company and/or is required for the business of the Company or is otherwise beneficial to the Company;
- b) Whether the Related Party Transaction is on an arms length basis.
- c) Whether the Related Party Transaction is reasonable and in the interest of the Company.

4.5 Omnibus Approval of Related Party Transactions by Audit Committee

In accordance with the enabling provisions of clause 49(VII)(D), the Audit Committee may grant omnibus approval to Related Party Transactions other than Related Party Transactions Exempt under Clause 49, which are proposed to be entered into by the Company, subject to compliance with the conditions specified therein, which are as follows:

- a) The Audit Committee shall lay down the criteria for granting such omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify the following:
 - (i) the names of the Related Party;
 - (ii) the nature of the transaction, period of transaction and the maximum amount for which the transaction can be entered into;
 - (iii) the indicative base price / current contracted price and the formula for variation in the price if any; and
 - (iv) such other conditions as the Audit Committee may deem fit;

Provided however that where the need for the Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction and subject to such overall limit as may be approved by the Audit Committee from time to time;

- d) The Audit Committee shall review, atleast on a quarterly basis, the details of the Related Party Transaction entered into by the Company pursuant to each of the omnibus approval so given;
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. For the purpose of this condition, reference to 'year' shall be to the financial year of the Company and the validity of such omnibus approval granted during any financial year shall be up to the end of that financial year or up to the date of the fresh approval, if any, granted by the Audit Committee in the immediately following financial year, which shall not be later than May 31, whichever is later;

5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under 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 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, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy, including without limitation, to ratify Related Party Transactions.

6. Disclosures

The Company shall comply with such disclosure requirements relating to this Policy as may be stipulated under Applicable Regulatory Requirements. The disclosure requirements under clause 49 of the Listing Agreement are as follows:

- a. Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
- b. This Policy shall be uploaded on the website of the Company at www.theswastiksafedeposit.com and a web link thereto shall be provided in the Company's Annual Report.

Approval Matrix for all Related Party Transactions

Approval By	Approvals Required under Applicable Regulatory Requirements	Approval Required under this Policy
Audit Committee	<p>a) Under the Act All Related Party Transactions [as per Terms of Reference specified under section 177 of the Act]</p> <p>b) Under Clause 49 All Related Party Transactions other than those with wholly-owned subsidiaries [proviso to clause 49(VII)(D)];</p>	<p>1. All Related Party Transactions;</p> <p>2. Annual Approval:</p> <p>(a) Related Party Transactions Exempt under the Act i.e. those which are in ordinary course of business and undertaken on arms length basis (which are exempt from Board and Shareholder Approvals under the Act);</p> <p>(b) Related Party Transactions Exempt under Clause 49 i.e. those with wholly-owned subsidiaries;</p>
Board	<p>a) Under the Act All Related Party Transactions, other than Related Party Transactions Exempt under the Act [as per 3rd proviso to section 188(1) of the Act]</p> <p>b) Under Clause 49 Clause 49 is silent on the need for Board approval.</p> <p>However, as per the Principles of Corporate Governance stipulated under clause 49(1), sub clause (D)(2)(f) enshrines an obligation on the Board to monitor and manage potential conflicts of interest of management, directors and shareholders.</p>	<p>Board to approve all Related Party Transactions, other than Related Party Transactions Exempt under the Act and Related Party Transactions Exempt under Clause 49;</p> <p>So far as the following Related Party Transactions are concerned, viz:</p> <p>a) Related Party Transactions Exempt under the Act;</p> <p>b) Related Party Transactions Exempt under Clause 49;</p> <p>A Report of such Related Party Transactions shall be placed before the Board once a year after its review and approval by the Audit Committee.</p>
Shareholders	<p>As per Applicable Regulatory Requirements presently in force, following Related Party Transactions require prior approval of shareholders:</p> <p>a) <u>Under the Act</u> In terms of Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, prior approval of shareholders by Special Resolution shall be required for the following kinds of Related Party Transactions, which individually or taken together with previous transactions during a financial year, exceed the following limits:</p> <ul style="list-style-type: none"> • Sale, purchase or supply of goods or materials exceeding 10% of Company's turnover or Rs. 100 crores, whichever is lower; • Selling, disposing off or buying property of any kind exceeding 10% of Company's Net 	<p>Prior Shareholders Approval shall be sought for all Related Party Transactions Requiring Shareholders Approval. The Company shall follow the requirements under the Act or under clause 49 of the Listing Agreement, as may be applicable, with regard to restriction on voting by Related Parties in such Shareholders Resolution;</p>

	<p>Worth or Rs. 100 crores, whichever is lower;</p> <ul style="list-style-type: none"> • Leasing property of any kind exceeding 10% of Company's Net Worth or 10% of Company's Turnover or Rs. 100 crores, whichever is lower; • Availing or rendering of service exceeding 10% of Company's Turnover or Rs. 50 crores, whichever is lower; • Appointment of any agent for purchase or sale of goods, material, services or property exceeding 10% of Company's turnover or Rs. 100 crores, whichever is lower; • Appointment to office or place of profit in company, subsidiary or associate company at a monthly remuneration exceeding Rs.2.50 lakhs; • Remuneration for underwriting subscription of securities or derivatives thereof exceeding 1% of Company's Net Worth; <p>[Reference to Turnover / Net Worth is to the Turnover / Net Worth as per the Company's stand-alone Audited Financial Statement of the preceding Financial Year]</p> <p>b) Under Clause 49</p>	
	<p>All Material Related Party Transactions (i.e. Related Party Transactions which individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per its last audited financial statements) require shareholders approval by Special Resolution [clause 49(VII)(E)].</p> <p>(collectively referred to in this table as "Related Party Transactions Requiring Shareholders Approval")</p>	