

RELATED PARTY TRANSACTION POLICY

Preamble:

The Board of Directors (the "Board") of SWELECT ENERGY SYSTEMS LIMITED (the "Company") has adopted the following policy and procedures ("Policy") with regard to Related Party Transactions (RPTs) as defined below:

This Policy may be amended by the Company from time to time and is subject to all laws and regulations applicable to the Company from time to time.

This policy is also in conformance with the Company's Code of Conduct for Business and ethics which provides that all directors and senior management personnel are required to disclose all potential or actual conflict of interest, which may be against the interest of the Company and take actions to eliminate such conflict, if so required.

1. Objective

1.1 This Policy is formulated in accordance with the requirement of Clause 49 of the Listing Agreement (including any statutory enactments / amendments thereof) entered into by the Company with the Stock Exchanges and is intended to ensure proper approval and reporting of RPTs between the Company and its Related Parties. In addition, the Company is also required to define the materiality of RPTs. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

1.2 The Company is required to disclose the Policy on dealing with RPTs each year in its Financial Statements as well as in its website.

2. 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 the board of directors of the Company

"Key Managerial Personnel" of "KMP" shall have the meaning referred to in the Companies Act, 2013

"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 such limit of the annual consolidated turnover of the Company as per the last audited financial statements of the Company in terms of the Listing Agreement in force from time to time.

“Ordinary Course of Business” means transactions that are necessary, normal and incidental to the business of the Company.

“Related Party” means an entity which is:

- (i) a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) a related party under the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India

“Related Party Transaction” means any transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged.

“Relative” means relative as defined under the Companies Act, 2013

Words and expressions used in this policy shall have the same meanings respectively assigned to them in the following acts / listing agreement / regulations / rules.

1. The Companies Act, 2013 or the rules framed thereon
2. Listing Agreement with Stock Exchanges.
3. Securities Contracts (Regulation) Act, 1956
4. SEBI Act, 1992
5. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
6. SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011
7. SEBI (Prohibition of Insider Trading) Regulations, 1992

3. General Guidelines

All Related Party Transactions must be reported to the Audit Committee and referred by the Audit Committee to the Board for approval in accordance with this policy.

All Material Related Party Transactions shall require approval of the shareholders vide a special resolution and all the related parties of the Company shall abstain from voting on such resolutions irrespective of whether they are interested in that particular Material related party transaction.