

SWADESHI POLYTEX LIMITED

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RELATED PARTY TRANSACTION POLICY

Modified and reviewed from: 12th November, 2025

1. Purpose

Swadeshi Polytex Limited (“the Company”) is governed by the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Regulation 23 of the Listing Regulations mandates every listed company to formulate a policy on materiality of related party transactions (“RPTs”) and on dealing with related party transactions. Accordingly, this policy aims to ensure transparency, proper approval and reporting of RPTs.

2. Scope & Inclusion

This policy sets the definition of materiality of related party transactions, material modification in related party transactions, and the process of dealing with such transactions.

3. Terms and References

3.1 Related Party Transaction

“Related Party Transaction” means related party transaction as defined under Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”).

3.2 Related Party Transaction(s) of the Company

Transactions where Swadeshi Polytex Limited is a party to the transaction(s)/contract(s)/arrangement(s) with a related party.

3.3 Related Party Transaction(s) of the Subsidiary

Transactions where a subsidiary of Swadeshi Polytex Limited is a party to the transaction(s)/contract(s)/arrangement(s) with a related party but the Company itself is not a party.

3.4 Materiality of Related Party Transaction(s)

Contracts/arrangements 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 exceed lower of ₹1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, or such limit as may be prescribed by SEBI from time to time.

3.5 Material Modifications

Material modification in relation to a related party transaction shall mean any change or variation in an existing related party transaction/contract/arrangement, the financial effect of which increases the per annum value of such transaction by 10% or ₹50 crore, whichever is higher.

3.6 Subsidiary

“Subsidiary” means a subsidiary as defined under Section 2(87) of the Companies Act, 2013 (‘Act’).

4. Policy

4.1 All Related Party Transaction(s) shall be entered on an arm’s length basis.

4.2 In exceptional circumstances, where permitted by law, related party transactions of the Company may deviate from the principle of arm’s length, after obtaining approval from the Audit Committee, the Board of Directors, and/or the Shareholders, as applicable.

4.3 All related party transactions of the Company shall be in compliance with the provisions of the Companies Act, 2013, the Listing Regulations, applicable Accounting Standards, and other applicable laws, as amended from time to time.

4.4 Domestic related party transactions shall comply with the Domestic Transfer Pricing requirements under section 92BA of the Income Tax Act, 1961, including certification from independent accountants.

4.5 International related party transactions shall comply with the International Transfer Pricing requirements under section 92B of the Income Tax Act, 1961, including certification from independent accountants.

5. Approval

5.1 All related party transactions of the Company and subsequent material modifications thereto shall require prior approval of the Audit Committee, Board of Directors, or Shareholders of the Company, as the case may be, in accordance with applicable laws.

5.2 All related party transactions of the subsidiaries exceeding the threshold specified under Regulation 23 of the Listing Regulations and subsequent material modifications

thereto shall also require prior approval of the Audit Committee or Shareholders of the Company, as applicable.

6. Exemption

Transactions between a holding company and its wholly owned subsidiary, or between two wholly owned subsidiaries, whose accounts are consolidated with the holding company and placed before shareholders for approval, shall be exempt from the provisions of Regulation 23(2), (3), and (4) of the Listing Regulations.

7. Arm's Length & Fairer Principle

The Company shall ensure that all significant Related Party Transactions (RPTs) are conducted on an arm's length basis and in a fair and transparent manner. Such transactions shall be benchmarked against relevant industry or market data, or supported by independent valuation/assessment reports, wherever applicable. Evidence of alternative quotations or competitive bids shall be maintained as documentation, wherever feasible.

8. Amendment

Any subsequent amendment/modification in the Listing Regulations or the Companies Act or any other governing law, rules, or regulations impacting the provisions of this Policy shall automatically apply to this Policy and the relevant provisions shall be deemed to be modified accordingly, even if not specifically incorporated herein.

7. Review

This Policy shall be reviewed by the Board of Directors based on the recommendation of the Audit Committee at least once every three years, or earlier if required due to regulatory changes or business needs.