

POLICY ON RELATED PARTY TRANSACTIONS

(1) SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under, Suashish Diamonds Limited ("SDL" or "the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

In light of the above, SDL has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

(2) OBJECTIVE OF THE POLICY

The objective of this Policy is to set out the manner of dealing with the transactions between the Company and its related parties based on the Act and any other laws and regulations as may be applicable to the Company.

(3) DEFINITIONS

"Arm's length transaction ('ALP')" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Related Party" with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013

"Related Party Transaction" (RPT) means – specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188. A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

(4) MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

(a) Identification of related parties

SDL has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under.

(b) Identification of related party transactions

SDL has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company seeks external professional opinion, if necessary.

(c) Procedure for approval of related party transactions

➤ Approval of the Audit Committee:

All related party transactions require prior approval of the Audit Committee.

➤ Approval of the Board of Directors of the Company

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board for its approval.

While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the all necessary documents / seek the all necessary information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not.

➤ Approval of the Shareholders of the Company

All the transactions which related parties meeting the materiality thresholds as set in the Section 188 and rules made therein are placed before the shareholders for approval.

(5) DISCLOSURES

SDL shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

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Rajeshkumar Kedia
Whole-time Director