

POLICY ON RELATED PARTY TRANSACTIONS

(Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

Preamble

Considering the requirements for approval of related party transaction as prescribed under the Companies Act, 2013 read with applicable rules framed thereunder and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”), Sicagen India Limited (the “Company”), has formulated this Policy for identification of related parties and the proper conduct and documentation of all related party transactions.

1. Objective

The objective of this Policy is,

- (a) to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties in accordance with the provisions under the Companies Act, 2013, Listing Regulations and any other laws and regulations as may be applicable to the Company.
- (b) to set out the materiality thresholds for Related Party Transactions as per the applicable laws.

2. Definitions

2.1 “**Act**” means the Companies Act, 2013 including any amendment or modification thereof.

2.2 “**Applicable Law**” means the Companies Act, 2013 (“the Act”) and the Rules prescribed thereunder, the Listing Regulations and includes any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.

2.3 “**Arm’s Length Transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

2.4 “**Associate**” means a company as defined under section 2(6) of the Act, or under the applicable Accounting Standard.

2.5 “**Audit Committee**” or “**Committee**” means a committee of the Board constituted under applicable provisions of the Companies Act, 2013 and Listing Regulations.

2.6 “**Board**” means the Board of directors of the Company.

2.7 “**Body Corporate**” means an entity as defined in Section 2(11) of the Companies Act, 2013.

2.8 “**Company**” means M/s. Sicagen India Limited.

2.9 “**Director**” means a person as defined in Section 2(34) of the Companies Act, 2013.

2.10 “**Employees**” mean the employees and office-bearers of the Company, including but not limited to Whole-Time Directors.

2.11 “**Key managerial personnel**” or “**KMP**” means key managerial personal as defined under Section 2(51) of the Companies Act, 2013.

2.12 “**Listing Regulation**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s) or modification(s) thereof.

2.13 “**Material Related Party Transaction**” shall mean the following transactions with a Related Party:

Sl. No	Nature of Transaction	Threshold Limits
1.	Sale, purchase or supply of any goods or material, directly or through appointment of agent	Amounting to 10% (ten percent) or more of the turnover of the company
2.	Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	Amounting to 10% (ten percent) or more of the Networth of the company
3.	Leasing of property any kind	Amounting to 10% (ten percent) or more of the turnover of the company
4.	Availing or rendering of any services, directly or through appointment of agent	Amounting to 10% (ten percent) or more of the turnover of the company
5.	Appointment of any Related Party to any office or place of profit in the Company, its subsidiary company or associate company.	Monthly remuneration exceeding Rs. 2.5 Lakhs (Two and a half lakh rupees)
6.	Underwriting the subscription of any securities or derivatives thereof, of the Company.	Exceeding 1% (one percent) of the net worth of the Company
7.	Payment with respect to brand usage or royalty	Exceeding 5% (five percent) of the annual consolidated turnover of the Company

8.	Any other transactions	Exceeding 10% (ten percent) of the annual consolidated turnover of the Company
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The limits specified in points 1 to 4, 7 and 8 shall apply for transaction entered or transactions to be entered into either individually, or taken together with previous transactions during a financial year. The Turnover or Networth referred to in the points above shall be computed on the basis of the last audited financial statements of the Company.

2.14 **“Net worth”** shall have the meaning as defined in Section 2(57) of the Act.

2.15 **“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum & Articles of Association.

2.16 **“Related Party”** shall have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations.

2.17 **“Related Party Transaction”** or **“RPT”** shall have the meaning ascribed to the term in Regulation 2(1)(zc) of the Listing Regulations and includes the transactions contemplated under Section 188(1) of the Companies Act, 2013. Related Party Transaction shall be construed to include a single transaction or a group of transactions in a contract.

2.18 **“Relative”** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.

2.19 **“Subsidiary company”** or **“Subsidiary”** shall have the meaning as defined in Section 2(87) of the Act.

2.20 **“Turnover”** shall have the meaning as defined in Section 2(91) of the Act.

Words and expressions used in this Policy but not defined herein shall have the same meanings respectively assigned to them in the Companies Act 2013 and the rules framed therein, Listing Regulations and/ or any other applicable laws or regulations as amended from time to time.

3. General Guidelines

3.1 All Related Party Transactions shall require prior approval of the Audit Committee of the Company.

3.2 All Material Related Party Transactions shall require approval of members through an ordinary resolution and no member of the company shall vote on such resolution, to approve

any contract or arrangement which may be entered into by the company, if such member is a related party.

3.3 However, the requirement of seeking Audit Committee and members' approval shall not be applicable to transactions entered into between the Company and its wholly owned subsidiary, whose accounts are consolidated with the Company and placed before the members at a general meeting for approval.

4. Approval Process

4.1 Audit Committee approval:

The Company will enter into any Related Party Transaction only with the prior approval of the Audit Committee. The Audit Committee shall however grant omnibus approval for Related Party Transactions subject to the following conditions:

- a. The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.
- b. Omnibus approval shall contain and indicate the following:
 - Name of the Related Parties
 - Nature of the transactions
 - Duration of the transactions
 - Maximum amount of transaction that can be entered into
 - Indicative base price / current contracted price and the formula for variation in the price, if any, and;
 - Any other information as the Audit Committee may deem fit.
- c. In such cases where the need for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 Crore (Rupees One Crore) per transaction;
- d. Further, in the event of exigency to enter into a transaction and it is impractical to wait until a Meeting of the Audit Committee to consummate a Related Party Transaction, the Audit Committee, shall pass a Circular resolution to grant approval. Such approvals shall be placed before the Audit Committee at its next meeting for ratification. However, the Audit Committee shall not approve such related party transactions which are not in the ordinary course of business or which are not on arm's length basis through a Circular resolution.

- e. The Audit committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant each of the omnibus approval given and inform the Board;
- f. Such omnibus approvals shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals after the expiry of 1 (one) year.
- g. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- h. The Audit Committee shall have the discretion to recommend any matter relating to the Related Party Transaction to the Board for its approval.

4.2 Board approval:

All Related Party Transactions which are neither in the ordinary course of business nor an arm's length transaction, shall be recommended by the Audit committee for the approval of the Board. The Board shall further recommend the same for the approval of the members of the Company by way of a resolution, in case the said transaction is a material related party transaction.

Any member of the Board who has any potential interest in any related party transaction will recuse himself and abstain from discussion and voting on the approval of the related party transaction.

4.3 Members' approval:

If any transactions, contracts or arrangements with the related parties are not in the ordinary course of business or not at arm's length or both, the Company shall comply with the provisions of the Companies Act, 2013 and the rules framed thereunder and obtain approval of the Board and members, as applicable.

All material related party transactions shall require approval of members through an ordinary resolution and no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

4.4 Related Party Transactions that shall not require Approval:

The following transactions shall not require separate approval under this Policy:

- (i) Any transaction that involves the providing of compensation to a Director or Key Managerial Personnel, in accordance with the provisions of the Act, in connection with his or her duties to the Company or any of its Subsidiaries or Associates,

including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business;

- (ii) Indemnification and advancement of expenses made pursuant to any agreement or by-laws of the Company;
- (iii) Any transaction in which the related party's interest arises solely from ownership of securities issued by the company and all holders of such securities receive the same benefits pro rata as the related party;
- (iv) Any transaction which is in Ordinary course of business and on an arm's length basis as determined in terms of this policy;
- (v) Any transaction entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval;
- (vi) Transactions that have been approved by the Board under the specific provisions of the Act, e.g. inter-corporate deposits, borrowings, investments with or in wholly owned subsidiaries or other Related Parties;
- (vii) Payment of Dividend;
- (viii) Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, approved by the Board and carried out in accordance with the specific provisions of the Act or other applicable laws;
- (ix) Contribution to Corporate Social Responsibility, subject to approval of Corporate Social Responsibility Committee and within the overall limits approved by the Board of the Company;
- (x) Any other exception which is consistent with the applicable laws, including any rules or regulations made thereunder, and approved by the Audit committee.

4.5 Related Party Transactions not approved under this Policy

4.5.1 In the event that the Company becomes aware of a transaction with a Related Party that has not been approved under this Policy, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the transaction, and shall evaluate all options available to the Company, including ratification by it or recommending to the Board for their ratification or seeking approval of shareholders, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such

transaction to the Committee under this Policy and shall take any such action it deems appropriate.

4.5.2 In any case, save as otherwise provided in the Policy, where the Audit Committee determines not to ratify a transaction that has been commenced without its prior approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission or revision of the transaction.

4.5.3 Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Audit committee, Board or approval by a resolution in the general meeting as per the provisions of Companies Act, 2013 and if it is not ratified by the Committee, Board or, as the case may be, by the shareholders at a meeting within 3 (three) months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Committee, Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

5. Transactions at arm's length basis

The Company shall adopt generally accepted practices and principles in determining whether the transaction is at "Arm's length basis".

6. Disclosure

6.1 Each Director and Key Managerial Personnel of the Company is responsible for providing disclosure to the Company / Company Secretary about Related Party Transaction involving the Company and him or her or an entity wherein he / she or his / her relative is interested, including any additional information about the transaction that the Company or Company Secretary may reasonably request. Appropriate disclosures relating to the details of Related Party Transaction involving the Company, as required under the provisions of Companies Act, 2013, Listing Regulations and any other applicable laws, shall be made by the Directors and Key Managerial Personnel to the Company in the prescribed format within specified time period as and when required and necessary.

6.2 The Company shall disclose the Policy on its website and provide the web-link in the Annual report.

7. Limitation and Amendments

7.1 This Policy shall be reviewed and updated once in every 3 (Three) years as required under Listing Regulations and any other applicable laws.

7.2 The Audit Committee may review and amend this Policy, from time to time, subject to approval of the Board. In case of any amendment (s), clarification (s), circular (s) etc., issued by the regulatory authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc., shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment (s), clarification (s), circular (s) etc.,

8. Effective Date

This Policy shall be effective from the 10th day of February, 2021 and shall remain in force for a period of 3 (three) years from the effective date unless modified by the Board.

*****This Policy was adopted by the Board of Directors in the Board meeting held on 10th February, 2021.**
