

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. Definitions

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

1.2 “**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.

1.3 “**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.

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

(i) Materiality threshold under the Act

A transaction with a related party shall be considered material if it exceeds threshold as prescribed under section 188 of the Act read with Rules made thereunder or any subsequent amendment thereto.

(ii) Materiality threshold under Listing Regulations

A transaction 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, exceeds the following thresholds:

- In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- In case of any other transaction(s), if the amount exceeds Rs. 1,000 (one thousand) crore or 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.

Provided that the aforesaid threshold limits shall stand modified automatically to align with any changes to the Regulations or other applicable laws for the time being in force.

1.5 **“Material Modification”** means modification to Related Party Transactions shall be deemed material if the increase in aggregate value of actual transactions with a Related Party is more than 25% of the originally approved amount, where such original amount approved is upto Rs. 10 crores and in other cases if such increase is more than 10% of the original approved amount.

1.6 **“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.

1.7 **“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.

1.8 **“Related Party Transactions”** or **“RPTs”** 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.

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.

2. General Guidelines

2.1. All transactions with related parties shall be in the ordinary course of business and at arms’ length within the meaning of Section 188 of the Companies Act 2013 (the Act) and other applicable provisions. Transactions not conforming to the above shall be subject to such approvals as prescribed under the relevant law.

2.2. Pursuant to Regulation 23 (2) of the Regulations, all transactions with the Related Parties and any material modification thereto shall be subject to prior approval of the Audit Committee unless exempted under the Regulations or the Act or other relevant rules and regulations.

Provided that only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions.

2.3. In case of RPTs of its unlisted subsidiary where the Company is not a party, prior approval of the Audit Committee of the Company will be required only if the value of such RPTs entered into individually or taken together with previous transactions during a financial year exceeds the threshold as provided in the SEBI Listing Regulations.

2.4. The Audit Committee may provide omnibus approval for routine related party transactions on an annual basis which shall be strictly in accordance with the provisions of the Regulations, the Act and other applicable laws.

2.5. The aggregate of the transactions with a related party exceeding the Material RPTs limits shall be treated as material requiring such approvals prescribed under the Regulations or other applicable laws.

2.6. 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 and 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.

3. 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 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;
- (v) Transactions entered into between two wholly-owned subsidiaries of the listed holding company, 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, payment of dividend, borrowings, investments with or in wholly owned subsidiaries or other Related Parties;
- (vii) 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;
- (viii) 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;
- (ix) Any other exception which is consistent with the applicable laws, including any rules or regulations made thereunder, and approved by the Audit committee.

4 Related Party Transactions not approved under this Policy

4.1 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.

4.2 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.

4.3 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. Disclosure

5.1 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.

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

6. Limitation and Amendments

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

6.2 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.,

7. Effective Date

This Policy shall be effective from the 1st day of April, 2022 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 29th March 2022.**
