

## POLICY ON RELATED PARTY TRANSACTIONS

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

### Preamble

Sicagen India Limited (the "Company"), has formulated this Policy for identification of related parties and the proper conduct, regulate and documentation of all related party transactions 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and any other laws and regulations as may be applicable to the Company. This Policy will ensure that transactions with Related Parties are in the interest of its Shareholders and Stakeholders, which will not have potential or actual conflict of interest.

### 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 SEBI Listing Regulations, 2015 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 **"Body Corporate"** means an entity as defined in Section 2(11) of the Companies Act, 2013.

1.5 **"Listing Agreement"** means the Agreement as entered into by the Company with the Stock Exchange(s) as governed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), including any amendment or modification thereof.

1.6 **"Company"** means Sicagen India Limited.

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

1.8 **"Employees"** shall mean the employees of the Company, including but not limited to those on contractual basis.

1.9 **"Key Managerial Personnel"** shall mean persons defined in Section 2(51) of the Companies Act, 2013 and rules prescribed thereunder, SEBI Listing Regulations, 2015 and Indian Accounting Standards as amended from time to time.

1.10 **"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 SEBI Listing Regulations, 2015**

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 SEBI Listing Regulation, 2015 or other applicable laws for the time being in force.

The aggregate of the transactions with a related party exceeding the aforesaid limits shall be treated as material requiring such approvals prescribed under SEBI Listing Regulation, 2015 or other applicable laws.

iii) **“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 and that such change is arising out of modification in pricing, quantity, change in payment/repayment schedule, delivery schedule or any other change to the agreed terms.

1.11 **“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.

1.12 **“Relative”** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder, Listing Agreement, Indian Accounting Standards and SEBI Listing Regulation, 2015.

1.13 **“Related Party”** means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act, Indian Accounting Standards and SEBI Listing Regulation, 2015.

1.14 **“Related Party Transactions”** or **“RPTs”** shall have the meaning ascribed to the term in

Regulation 2(1)(zc) of the SEBI Listing Regulations, 2015, Indian Accounting Standards and includes the transactions contemplated under Section 188(1) of the Companies Act, 2013 and the rules made thereunder. 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, Indian Accounting Standards, SEBI (LODR) Regulations, 2015 and/ or any other applicable laws or regulations as amended from time to time.

## 2. Approval Process

The Company will enter into any Related Party Transaction only with the prior approval of the Audit Committee and those members of the Audit Committee, who are Independent Directors, shall approve related party transactions.

The Audit Committee shall grant omnibus approval for Related Party Transactions subject to the following conditions:

- a. Transactions of the Company with Related Party which are repetitive in nature;
- b. The omnibus approval for the transactions if it is in the interest of the Company;
- c. Omnibus approval shall specify the following:
  - Name(s) of the Related Party;
  - Nature of the transaction;
  - Term of transaction;
  - Amount of transaction that can be entered into;
  - Whether the transaction is material or not
  - No. of bids received if any (For establishing Arm's length basis)
  - Shareholding of the Company in RP / RP in Company
  - The indicative base price / current contracted price and the formula for variation in the price, if any, and;
  - Such other conditions as the Audit Committee may deem fit.

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 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.

- d. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- e. In 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 Rupees One Crore per transaction;
- f. The audit committee shall review, at least on a quarterly basis, the details of related party

transactions entered into by the listed entity or its subsidiary pursuant to each of the omnibus approvals given.

- g. The members of Audit Committee, who are independent directors may ratify the related party transactions within 3 months from the transaction date or in the immediate next Audit Committee meeting whichever is earlier subject to the following conditions:
- i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
  - ii. the transaction is not material in terms of the provisions of sub-regulation (1) of regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;
  - iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
  - iv. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;
  - v. any other condition as specified by the audit committee:

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorized by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

The Audit Committee will have the discretion to recommend / refer any matter relating to the Related Party Transaction to the Board for the approval.

### 3.Approval of Shareholders

Transaction, contract or arrangement with the Related Party is either not in the ordinary course of business or is 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 its shareholders, as applicable.

Material Related Party Transactions as defined under Regulation 23(1) of LODR Regulations, irrespective of the fact whether the transaction, contract or arrangement is in the ordinary course of business or at arm's length or both.

### 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 (except promoter directors), 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) Any other exception which is consistent with the applicable laws, including any rules or regulations made thereunder, and approved by the Audit committee.

## **5. Related Party Transactions not approved under this Policy**

- 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.
- 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.
- 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 authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

## 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.
- 6.2 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.
- 6.3 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. Consequences of non-compliance of the Policy for any Related Party Transaction

Non-compliance of this Policy may lead to initiation of disciplinary proceedings against the employee by the Company under the Service Rules or Employee Standing Orders. Details of such disciplinary proceedings will form part of the personal file of such employee and will be considered as a default on his or her key responsibilities.

## 9. Effective Date

This Policy shall be effective from the 1<sup>st</sup> day of April, 2025 and shall remain in force for a period of 3 (three) years from the effective date unless modified by the Board.

*\* Amended at the Board meeting held on 26.03.2025.*

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