

SUVEN LIFE SCIENCES LIMITED

POLICY ON RELATED PARTY TRANSACTIONS (RPT)

TITLE & COMMENCEMENT

This Policy shall be called '**Policy on Related Party Transactions**'. The reviewed Policy shall come into effect from 24th January, 2025.

OBJECTIVE & PURPOSE

The objective of this policy is to prescribe the approval procedures, disclosure requirements and reporting of transactions between the Company and any of its related parties in the best interest of the Company and stakeholders. This Policy deals with materiality threshold, process of identification, disclosures and the manner of dealing Transactions with Related Party by the Company keeping in view the provisions of the Companies Act, 2013 ("Act") read with the rules made thereunder and SEBI (LODR) Regulations, 2015 ("LODR Regulations").

DEFINITIONS

"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.

"Audit Committee" means Committee of Board of Directors of the Company constituted under provisions of Regulation 18 of LODR and Section 177 of the Act.

"Board of Directors" or "Board" in relation to the Company means the collective body of the directors of Suven Life Sciences Limited.

"Company" means Suven Life Sciences Limited.

"Key Managerial Personnel" (KMP) in relation to the Company means

- i. the Chief Executive Officer, or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-time director;
- iv. Chief Financial Officer; and
- v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed.

"Material Related Party Transaction" means a transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

"Material Modification(s)" Modification of any key terms and conditions relating to an existing related party transaction(s) having variance by 25% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

"Related Party", with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 or LODR Regulations or under the applicable accounting standards as amended from time to time.

"Related Party Transaction" (RPT) means -

- For the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188;
- for the purpose of LODR, a transaction involving a transfer of resources, services or obligations between:
 - (i) the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
 - (ii) the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries (with effect from April 1, 2023);regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - payment of dividend;
 - subdivision or consolidation of securities;
 - issuance of securities by way of a rights issue or a bonus issue;
 - buy-back of securities

- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified;
- (d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time;
- (e) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

"Relatives" with reference to any person shall have the meaning as defined in Section 2(77) of the Act read with clause 4 of The Companies (Specification of definition details) Rules, 2014.

A **"transaction"** with a related party shall be construed to include single transaction or a group of transactions in a contract.

Any other term not defined herein shall have the same meaning as defined in the Act, LODR Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

MATERIALITY THRESHOLDS

The LODR Regulations requires a company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required by way of a special resolution. The Company has fixed its materiality threshold as follows:

- ▶ 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 rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, for the purpose of the LODR Regulations;
- ▶ a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

POLICY AND PROCEDURE FOR RPTS

The policy describes the procedure to be followed along with the reporting and disclosure requirements for the transactions entered between the Company and its Related Parties. Such transactions shall be deemed appropriate only if they are in the best interest of the Company. In order to ensure the same and to set forth the procedure for entering into and execution of transactions with Related Party, the board of directors of the Company has adopted this Policy.

a) Identification of potential related parties

- Company shall identify Related parties based on the definition of “Related Party”. Once a year, declarations to be obtained from the Directors and KMP within the meaning of Section 2(76), 184 and 189 of the Act and LODR Regulations in the prescribed format.
- The declarations will also be required to be given by the Directors and KMP immediately as and when any changes occurred since previous declaration. Directors and KMP shall be responsible to promptly complete and submit to the Company Secretary or Compliance Officer as the case may be, the disclosure declaration referred to above.

b) Identification of potential related party transactions

Each director and KMP is responsible for providing information to the Board or Audit Committee of any potential RPT involving him/her or his/her relative, including any additional information about the transaction that the Board or Audit Committee may request. The Board shall record the disclosure of Interest and the Audit Committee will determine whether the transaction does, in fact, constitute a RPT requiring compliance with this Policy.

The Company strongly prefers to receive such information of any potential transactions with Related Party well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

c) Approval of Related Party Transactions

(i) Prior approval of Audit Committee of the Company:

- All related party transactions and subsequent material modification(s) as prescribed under the Act and LODR Regulations shall require prior approval of Audit Committee of the Company whether at a meeting or by resolution by circulation or any other manner as provided by the Act or Rules made thereunder.

- ▶ Only those Members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

A Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual standalone turnover of the Company, as per the last audited financial statements of the Company.

Prior approval of the Audit Committee of the Company shall not be required for the following:

- (i) Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI LODR Regulations are applicable to such listed subsidiary.
 - (ii) Related Party Transactions of unlisted subsidiaries of a listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
 - (iii) remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the LODR Regulation.
 - (iv) transactions entered into between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
 - (v) transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- ▶ However, the Audit Committee may grant omnibus approval for such Transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions:-
- 1) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on RPTs and such approval shall be applicable in respect of transactions which are repetitive in nature.
 - 2) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
 - 3) Such omnibus approval shall specify the following:
 - the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;

- 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;

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees One crore per transaction.

- 4) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company or its subsidiary pursuant to each of the omnibus approval given.
- 5) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- 6) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
- 7) Any member of the Audit Committee who has a potential interest in any RPT will abstain from discussion and voting on the approval of the RPT.

(ii) Prior approval of the Audit Committee of the Holding Company:

A related party transaction to which the Company is a party but the Holding Company is not a party, shall require prior approval of the audit committee of the Holding Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual standalone turnover, as per the last audited financial statements of the Company.

(iii) Prior approval of Board of Directors under the Act

- a) RPTs within the scope of Section 188 of the Act, which are either not in the Ordinary Course of Business or are not at Arms' Length shall require prior approval of the Board of Directors.
- b) In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:
 - Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;

- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval;
- Transactions meeting the materiality thresholds, which are intended to be placed before the shareholders for approval.

In the above context, where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement, and shall also not vote on such resolution.

(iv) Shareholders' approval requirements

Shareholder's approval shall be sought in the following cases as per the requirements of the Act:

RPTs covered within the scope of Section 188 of the Act; which are either not in the ordinary Course of Business or are not on an Arm's Length Basis and exceed the threshold prescribed under the rules made thereunder, shall require prior approval of the shareholders through special resolution.

- No Member(s) of the Company shall vote in a special resolution where a related party contract or arrangement is being considered if such a Member(s) is a related party in the context of the contract or arrangement which is being considered.
- As per Section 188(3) of the Act, where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board, consent of shareholders at a meeting is required to be obtained within three months from the date on which such contract or arrangement was entered into.

Shareholder's approval shall be sought in the following cases as per the requirements of LODR:

- All Material RPTs and subsequent material modifications covered within the scope of LODR shall require prior approval of the shareholders through a special resolution. For this purpose, no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- However, the above shall not be applicable to such transactions as may be exempted by LODR, if not covered under the Act.

DISCLOSURES

Disclosures with respect to Transactions with Related Party shall be made as per applicable provisions of the Act and LODR.

TREATMENT OF RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

- ▶ The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, 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 materiality thresholds mentioned in this policy;
 - (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 this regulation;
 - (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 authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

- ▶ In the event the Company becomes aware of a transaction with a related party that has not been approved or ratified subsequently in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the related party transaction and shall evaluate all options available to the Company, including seeking the approval of the shareholders or revision or discontinuation of the related party transaction, etc. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and shall take any such action it deems appropriate. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

SCOPE LIMITATION

In the event of any conflict between the provisions of this Policy and of LODR or the Act or any other statutory enactments, rules, then later shall prevail.

AMENDMENTS & REVIEW

Any subsequent amendment / modification in the LODR Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy. This Policy will be reviewed by Board of Directors as and when required but at least once in three years.
