



SUN PHARMA ADVANCED RESEARCH COMPANY LTD

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

Policy Versions			
Sl. No.	Description	Date of Board Approval	Effective Date
1	Initial Adoption	May 17, 2022	April 1, 2022
2	Policy Review	May 19, 2025	April 1, 2025

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1 INTRODUCTION

The Board of Directors (the '**Board**') of Sun Pharma Advanced Research Company Ltd. (the '**Company**') has adopted this policy and procedures with regard to Related Party Transactions ('**Policy**'), in line with the requirements of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as '**SEBI (LODR) Regulations**') read with Section 188 of the Companies Act, 2013 including the Rules made thereunder (hereinafter referred to as '**the Act**') as amended and for the time being in force.

The Policy shall be subject to periodic review by the Board at an interval not exceeding three years from the date of its previous review/ approval.

2 OBJECTIVE

The objective of this Policy is to determine 'materiality' of the Related Party Transaction(s), material modifications to the Related Party Transaction(s) and to lay down principles for dealing in Related Party Transactions in the Company to ensure that conflict of interest is avoided and the Related Party Transactions are entered into keeping in mind the best interest of the Company and its stakeholders.

3 MATERIALITY THRESHOLDS

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 per cent of the annual consolidated turnover of the Company as per last audited financial statements of the Company.

Notwithstanding the above, 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 per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The thresholds mentioned above shall always be in line with the thresholds prescribed under SEBI (LODR) Regulations as may be amended from time to time. In case of any difference between the thresholds under this policy and the SEBI (LODR) Regulations, the thresholds under SEBI (LODR) Regulations shall prevail.

4 MATERIAL MODIFICATIONS

Any modification to a Related Party Transaction approved by the Audit Committee and/or the Shareholders having a variation of 20% or more of the value of transaction approved earlier.

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DEALING WITH RELATED PARTY TRANSACTIONS

All the transactions which are identified as Related Party Transactions and subsequent Material Modifications thereof, shall require prior approval of the Audit Committee in the manner specified under the SEBI (LODR) Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

While reviewing the Related Party Transactions, the Audit Committee shall ensure that;

- The transaction is in the best interest of the Company.
- The conflict of interest is avoided and the transactions are carried out on arm's length basis. For determination that the transactions are at arm's length basis, the Committees may rely on reports / certificates of the independent subject matter experts as it may deem necessary.

The Audit Committee may grant omnibus approval for Related Party Transactions in accordance with requirements mentioned under the Act and/or SEBI (LODR) Regulations and in line with the criteria approved by the Board of Directors from time to time

Notwithstanding the above, all Related Party Transactions shall be in compliance with the applicable provisions under the Act and SEBI (LODR) Regulations as may be amended from time to time.

The Audit Committee may waive off any of the requirements under this policy subject to the adherence to above.

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AMENDMENT

Any subsequent amendment / modification in the Listing 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

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POLICY REVIEW

The policy shall be reviewed periodically as required under SEBI (LODR) Regulations.