

SIKOZY REALTORS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

(Including Policy on Materiality of Related Party Transactions)

1. PREAMBLE

The Board of Directors ("Board") of Sikozy Realtors Limited ("Company") has adopted this Policy on Related Party Transactions ("Policy") to provide a framework for identifying, reviewing, approving, monitoring and disclosing transactions between the Company and its Related Parties.

The Company presently has paid-up equity share capital below ₹10 crore, net worth below ₹25 crore, no subsidiary company and, as informed to the Board, no present operations. The Company shall comply with the provisions of the Companies Act, 2013 ("Act") and rules made thereunder applicable to Related Party Transactions.

The Company shall also monitor the applicability of Regulation 23 and other provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). To the extent the Company qualifies for the exemption under Regulation 15(2)(a), Regulation 23-specific requirements shall not be imposed by this Policy. If the exemption ceases to apply, this Policy shall be reviewed and amended to incorporate the applicable SEBI LODR requirements.

2. OBJECTIVE

- To ensure that Related Party Transactions are undertaken in compliance with applicable law and in the best interests of the Company.
- To establish a transparent and consistent process for identification, approval, monitoring and disclosure of Related Party Transactions.
- To manage potential conflicts of interest involving Directors, Key Managerial Personnel, management and shareholders.
- To prevent misuse of corporate assets and inappropriate benefits arising from Related Party Transactions.
- To ensure adequate records and supporting documentation are maintained for Related Party Transactions.

3. SCOPE AND APPLICABILITY

This Policy applies to all Related Party Transactions entered into or proposed to be entered into by the Company. It shall be read with the Act, applicable rules, Accounting Standards/Ind AS, the Articles of Association and other applicable laws.

The Policy shall apply to prospective transactions and, where appropriate, to existing arrangements that continue or are renewed.

4. DEFINITIONS

"Act": the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

"Audit Committee": the Audit Committee constituted by the Board under applicable law, including Section 177 of the Act.

"Board": the Board of Directors of Sikozy Realtors Limited.

“Company”: Sikozy Realtors Limited.

“Arm’s Length Transaction”: a transaction between two Related Parties conducted as if they were unrelated, so that there is no conflict of interest.

“Key Managerial Personnel” / “KMP”: the persons falling within the definition under Section 2(51) of the Act.

“Material Related Party Transaction”: a transaction which meets the materiality threshold prescribed by applicable law. Since Regulation 23 is presently exempt for the Company, no separate SEBI LODR materiality threshold is prescribed in this Policy. If Regulation 23 becomes applicable, the Policy shall be revised accordingly.

“Related Party”: a person or entity falling within Section 2(76) of the Act and applicable Accounting Standards/Ind AS.

“Relative”: a person falling within Section 2(77) of the Act read with the applicable rules.

“Related Party Transaction”: a transaction, contract or arrangement between the Company and a Related Party falling within the applicable provisions of the Act, including a transfer of resources, services or obligations, whether or not a price is charged.

For purposes of determining a Relative under the Act, the applicable statutory definition shall prevail, including the prescribed relationships such as father, mother, son, son’s wife, daughter, daughter’s husband, brother and sister.

5. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each Director and KMP is responsible for providing timely notice to the Board/Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, together with such additional information as may reasonably be required.

- The Company expects such notice to be provided sufficiently in advance to allow proper review and approval.
- The Company shall maintain an updated list of Related Parties based on disclosures received and information otherwise available.
- The Audit Committee/Board shall determine whether a proposed transaction constitutes a Related Party Transaction and what statutory approvals are required.
- Any employee or officer initiating a transaction with a Related Party shall promptly inform the authorised officer/Company Secretary.

6. GENERAL PRINCIPLES FOR DEALING WITH RELATED PARTY TRANSACTIONS

- Transactions shall be entered into only where there is a bona fide business purpose or other legitimate corporate purpose.
- The terms should be fair and reasonable to the Company and, where applicable, on an arm’s length basis.
- The Company shall consider whether comparable terms are available from unrelated parties, wherever relevant.
- The Company shall consider potential conflicts of interest and any possible reputational or governance concerns.
- No Director, KMP or other person shall use his or her position to obtain an improper benefit from a Related Party Transaction.

- The Board shall monitor and manage potential conflicts of interest involving management, Directors and shareholders, including misuse of corporate assets and abuse through Related Party Transactions.

7. AUDIT COMMITTEE APPROVAL

All Related Party Transactions requiring Audit Committee approval under applicable law shall be placed before the Audit Committee for prior approval.

In reviewing a transaction, the Audit Committee may consider:

- the Related Party and nature of the relationship;
- nature, terms, duration and value of the transaction;
- business purpose and expected benefits to the Company;
- whether the transaction is in the ordinary course of business;
- whether it is on an arm's length basis;
- pricing and commercial terms;
- the effect on the independence or conflict of interest of any Director/KMP;
- potential reputational or governance risks; and
- any other matter the Audit Committee considers relevant.

8. OMNIBUS APPROVAL

The Audit Committee may grant omnibus approval for Related Party Transactions where permitted under applicable law. The Audit Committee shall establish appropriate criteria and satisfy itself that such approval is necessary and in the interest of the Company.

The omnibus approval should, to the extent applicable, specify:

- name of the Related Party;
- nature of the transaction;
- period of the transaction;
- maximum aggregate amount permitted;
- indicative base price/current contracted price and the formula for variation in price, where relevant; and
- such other conditions as the Audit Committee considers appropriate.

Where the need for a transaction cannot reasonably be foreseen, the Audit Committee may grant approval subject to the limits and conditions prescribed by applicable law. Transactions entered into under an omnibus approval shall be reviewed at the intervals prescribed by law.

9. BOARD APPROVAL UNDER SECTION 188

Where a Related Party Transaction falls within Section 188(1) of the Act, the transaction shall be placed before the Board for approval in accordance with the Act and applicable rules.

An interested Director shall not participate in the discussion or voting on the relevant resolution to the extent required under applicable law.

10. MEMBERS' APPROVAL

Where a Related Party Transaction crosses the thresholds prescribed under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, or otherwise requires members' approval under applicable law, prior approval shall be obtained in the prescribed manner.

Nature of transaction	Prescribed threshold
Sale, purchase or supply of goods/materials	10% or more of turnover
Selling/disposal or purchase of property	10% or more of net worth
Leasing of property	10% or more of turnover
Availing/rendering services	10% or more of turnover
Appointment to office/place of profit	Monthly remuneration exceeding ₹2.50 lakh
Underwriting remuneration	Exceeding 1% of net worth

The above thresholds are included for ease of reference and shall always be read subject to the thresholds and conditions actually prescribed under the Act and rules in force at the time of the transaction.

11. ORDINARY COURSE AND ARM'S LENGTH TRANSACTIONS

To the extent provided under Section 188 of the Act, transactions entered into in the ordinary course of business and on an arm's length basis are not subject to the approval requirements under Section 188. The Company shall nevertheless comply with any separate Audit Committee, accounting, disclosure or record-keeping requirement applicable to the transaction.

12. RELATED PARTY TRANSACTIONS NOT APPROVED IN ADVANCE

If the Company becomes aware of a Related Party Transaction that was entered into without the required prior approval, the matter shall be placed before the Audit Committee/Board, as applicable, at the earliest opportunity.

- The Committee shall consider all relevant facts and circumstances.
- It shall evaluate whether ratification is legally permissible and appropriate.
- It may recommend revision, discontinuation, rescission or other corrective action where appropriate.
- The circumstances leading to the failure to obtain approval shall be examined and remedial measures may be prescribed.
- No ratification shall be made where it would be contrary to applicable law.

13. MONITORING AND REVIEW

- The Audit Committee shall review significant Related Party Transactions submitted by management, as appropriate.
- The Audit Committee shall consider Related Party Transactions while reviewing the annual financial statements and the auditor's report, with particular reference to required disclosures.
- The Board shall monitor potential conflicts of interest of management, Directors and shareholders.
- The Company shall maintain records sufficient to enable the Audit Committee and Board to review Related Party Transactions effectively.

14. DISCLOSURES AND REPORTING

- The Company shall make disclosures in its financial statements and statutory records as required under the Act and applicable Accounting Standards/Ind AS.

- The Company shall maintain the prescribed statutory register of contracts and arrangements in which Directors are interested.
- The Company shall include in the Annual Report such disclosures regarding Related Party Transactions as are required under applicable law.
- The Company may disclose significant or materially significant Related Party Transactions having potential conflict with the interests of the Company, where required by applicable law or considered appropriate by the Board.
- The Policy shall be made available on the Company's website where such disclosure is required under applicable law.

Since Regulation 23 of SEBI LODR is presently exempt for the Company, this Policy does not create a separate Regulation 23 quarterly/half-yearly stock exchange reporting requirement. If Regulation 23 becomes applicable, the Company shall comply with the reporting and disclosure requirements then applicable.

15. MATERIALITY

The Company shall follow the materiality thresholds prescribed under the law applicable to it from time to time. While Regulation 23 is presently exempt, the Company shall not use an LODR materiality threshold as a substitute for the statutory thresholds under Section 188 and Rule 15.

If Regulation 23 becomes applicable to the Company, the Board shall review this Policy and incorporate the applicable SEBI LODR definition and materiality thresholds.

16. CONFLICT OF INTEREST

Directors, KMP and other relevant personnel shall disclose actual or potential conflicts of interest. An interested Director shall abstain from participation and voting to the extent required under applicable law. The Audit Committee/Board may require an interested person to provide information but may exclude such person from deliberations where appropriate.

17. RESPONSIBILITIES

- Board: oversight of the framework, approval of transactions within its authority, and monitoring of conflicts of interest.
- Audit Committee: review and approval of Related Party Transactions to the extent required, consideration of significant transactions, and oversight of disclosures.
- Company Secretary/Authorised Officer: maintaining Related Party records, coordinating approvals, statutory registers, disclosures and filings.
- Directors and KMP: timely disclosure of interests and potential Related Party Transactions.
- Management/Employees: ensuring proposed transactions are routed for review before commitment or execution.

18. RECORDS

The Company shall maintain appropriate records of disclosures, Related Party lists, proposed and completed transactions, supporting documents, pricing/arm's-length documentation where relevant, approvals, ratifications and statutory disclosures.

19. INTERPRETATION

Words and expressions used but not defined in this Policy shall have the meaning assigned to them under the Act, rules made thereunder, SEBI LODR (to the extent applicable), Accounting Standards/Ind AS or any other applicable law.

In case of any question regarding the meaning or interpretation of any provision of this Policy, the matter may be referred to the Audit Committee/Board. The Audit Committee/Board may obtain advice from the Company's officers, statutory professionals or an outside expert, as considered necessary.

20. REVIEW AND AMENDMENT

The Board shall have the power to amend any provision of this Policy, substitute any provision with a new provision or replace this Policy entirely. The Policy shall be reviewed at least annually and whenever there is a material change in applicable law or the Company's circumstances.

21. CHANGE IN APPLICABILITY OF SEBI LODR

The Company shall periodically verify whether the exemption available under Regulation 15(2)(a) continues to apply. If Regulation 23 or other corporate governance provisions become applicable, the Company shall revise this Policy and implement the applicable requirements within the period prescribed by law.

22. OVERRIDING EFFECT OF LAW

In the event of any conflict between this Policy and any applicable provision of the Act, SEBI LODR, rules, regulations, circulars, notifications or other statutory requirements, the applicable law shall prevail.

23. EFFECTIVE DATE

This Policy shall come into force upon its approval by the Board of Directors of the Company and shall remain in force until amended, modified, reviewed or superseded by the Board from time to time.

The Policy shall be reviewed periodically, as may be considered necessary by the Company, to ensure that it remains aligned with the Applicable Laws, regulatory requirements and the evolving practices of the Company.

.