



SHIGAN QUANTUM TECHNOLOGIES LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

DOCUMENT CONTROL

Document Title and Version

This document, titled as 'Policy on Related Party Transactions' is issued as version 1.1, and all earlier versions shall be considered as Version 1.0.

Revision history

Sr. No.	Date of Approval	Version	Department Responsible	Approval Authority
1	18-08-2025	1.0	Legal & Secretarial Department	Board of Directors
2	25-02-2026*	1.1	Legal & Secretarial Department	Board of Directors

** Effective from 1st April, 2026*

Custodian and Review Authority

This Policy shall be maintained and updated, by way of additions, deletions, modifications or substitutions, only by the Legal and Secretarial Department.

Any revision to this Policy shall be subject to review by the Managing Director(s), Audit Committee and approval by the Board of Directors.

Applicability

This Policy applies to Shigan Quantum Technologies Limited.

PREFACE

This Policy is framed in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for dealing with Related Party Transactions.

DEFINITIONS AND INTERPRETATIONS

- a) **'Act'** means the Companies Act, 2013 and includes notifications and circulars issued by the Ministry of Corporate Affairs from time to time.
- b) **'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.
- c) **'Audit Committee'** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act read with Regulation 18 of the Listing Regulations.
- d) **'Board'** means the Board of Directors of the Company.
- e) **'Company'** means Shigan Quantum Technologies Limited, unless the context otherwise requires.
- f) **'Key Managerial Personnel'** means:
- the Chief Executive Officer or the Managing Director or the Manager;
 - the Company Secretary;
 - the Whole-time Director;
 - the Chief Financial Officer;
 - 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
 - any other person appointed by the Board as Key Managerial Personnel.
- g) **'Listing Regulations'** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including circulars issued by the Securities and Exchange Board of India from time to time.
- h) **'Material Modifications'** means modifications that result in an increase of more than ten percent of the amount approved by the Audit Committee and / or the Shareholders, as applicable.

i) **'Material Related Party Transactions'** means:

- **For transactions other than Royalty / Brand Usage:**

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 thresholds specified under Schedule XII of the Listing Regulations.

For the companies which have listed its specified securities on the SME Exchange, 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 ₹ 50 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 transactions related to Royalty / Brand Usage**

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.

j) **'Policy' or 'this Policy'** means the Policy on Related Party Transactions.

k) **'Related Party' or 'Related Parties'** means a related party as defined under the Act or applicable Accounting Standards, or the Listing Regulations.

l) **'Related Party Transaction'** means a transaction involving a transfer of resources, services, or obligations, regardless of whether a price is charged, between:

- (i) the Company and its related party;
- (ii) the Company and a related party of its subsidiaries;
- (iii) a related party of the Company and its subsidiaries;
- (iv) a related party of subsidiaries of the Company and its subsidiaries;
- (v) the Company or its subsidiaries and any other person or entity, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries.

The following shall not be treated as Related Party Transactions:

- (i) issue of specified securities on a preferential basis in compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018;

- (ii) following corporate actions which are uniformly applicable or offered to all shareholders in proportion to their shareholding:
- a) payment of dividend;
 - b) subdivision or consolidation of securities;
 - c) issuance of securities by way of a rights issue or a bonus issue; and
 - d) buy-back of securities.
- (iii) retail purchases from the Company or its subsidiary by its Directors or Key Managerial Personnel or their relatives, without establishing a business relationship and on the terms uniformly applicable or offered to all employees, Directors, Key Managerial Personnel and relatives of Directors or Key Managerial Personnel.

m) 'SEBI' means the Securities and Exchange Board of India.

n) 'Securities' means equity shares and other listed securities of the Company.

o) 'Senior Management Personnel' means

- all members of management one level below the Managing Director / Whole-time Director / Executive Director;
- Chief Financial Officer;
- Company Secretary;
- functional heads; or
- such other persons as may be decided by the Board from time to time.

APPROVAL OF THE AUDIT COMMITTEE

- All related party transactions and subsequent modifications to approved related party transactions shall require prior approval of the Audit Committee.

However, only material modifications in respect of approved related party transactions of the subsidiaries of the Company, where the Company is not a party, shall require prior approval of the Audit Committee.

- A related party transaction to which a subsidiary of the Company is a party, but the Company is not a party, shall require prior approval of the Audit Committee, if the following conditions are satisfied:
 - (a) the value of such transaction(s) exceeds ₹ 1 crore, whether entered into individually or taken together with previous transactions during a financial year; and
 - (b) the value of such transaction(s), whether entered into individually or taken together with previous transactions during a financial year, exceeds the lower of the following:

- (i) 10% of the annual standalone turnover of the subsidiary of the Company as per its last audited financial statements; or
 - (ii) the threshold for material related party transactions of the Company as specified in Schedule XII of the Listing Regulations.
- The following related party transactions, other than material related party transactions, shall not require approval of the Audit Committee:
 - (a) a related party transaction upto ₹ 1 crore, whether entered into individually or taken together with previous transactions during a financial year, to which a subsidiary of the Company is a party but the Company is not a party;
 - (b) remuneration and sitting fees paid by the Company or its subsidiaries to its Directors, Key Managerial Personnel, or Senior Management Personnel, except those forming part of the promoter or promoter group.

APPROVAL OF THE BOARD OF DIRECTORS

The contracts or arrangements with respect to transactions referred to in Section 188 (1) of the Act shall require approval of the Board by means of passing of resolution at a meeting of the Board, where such transactions are not in the ordinary course of business and / or not at arm's length basis.

APPROVAL OF THE SHAREHOLDERS

The following transactions shall require prior approval of the Shareholders:

- all material related party transactions;
- all subsequent modifications to approved material related party transactions; however, only material modifications with respect to approved material related party transactions of subsidiaries, where the Company is not a party, shall require prior approval of the Shareholders; and
- contracts or arrangements with respect to the transactions referred to in Section 188 (1) of the Act which are not in the ordinary course of business and / or not at arm's length basis and exceed the thresholds prescribed under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.

OMNIBUS APPROVAL BY THE AUDIT COMMITTEE

- The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiaries.

- The Audit Committee, after obtaining approval of the Board, may specify the criteria for granting omnibus approval for related party transactions that are repetitive in nature, which shall include the following:
 - (a) maximum aggregate value of related party transactions which can be allowed under the omnibus route;
 - (b) maximum value per related party transaction;
 - (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - (d) periodicity of review of related party transactions under omnibus approval;
 - (e) related party transactions which cannot be covered under the omnibus approval.
- The Audit Committee shall satisfy itself regarding the necessity of such omnibus approval and ensure that it is in the interest of the Company or its subsidiaries.
- The Audit Committee may also grant omnibus approval for related party transactions (subject to specified individual limit per transaction and aggregate limits) that cannot be foreseen and for which the specified details are not available.
- The Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company and / or any of its subsidiaries pursuant to each of the omnibus approval granted.
- Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

RATIFICATION OF RELATED PARTY TRANSACTIONS

Audit Committee

The Audit Committee may ratify related party transactions, other than material related party transactions, within three months of the transaction or at 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 ₹ 1 Crore; and
- (ii) the rationale for the inability to seek prior approval shall be placed before the Audit Committee at the time of seeking ratification.

Board

The Board may ratify transactions with related parties requiring approval under Section 188 of the Act within three months of the transaction, post ratification by the Audit Committee.

Shareholders

The Shareholders may ratify the transactions with related parties, other than material related party transactions, falling under Section 188 (1) of the Companies Act, 2013, which are not in the ordinary course of business and/ or not at arm's length basis and exceed the thresholds prescribed under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, within three months of the transaction, post ratification by the Audit Committee and the Board.

TRANSACTIONS EXEMPTED FROM APPROVAL

No approval of the Audit Committee, the Board, or the Shareholders shall be required for related party transactions entered into between the Company and its wholly owned subsidiary or between two wholly owned subsidiaries of the Company.

INFORMATION TO BE PLACED FOR APPROVAL

The minimum information to be placed before the Audit Committee, the Board, and the Shareholders for approval shall be as prescribed under the Act, the Listing Regulations, applicable SEBI Circulars or applicable industry standards.

REVIEW, REPORTING AND DISCLOSURE

This Policy shall be reviewed by the Board atleast once every three years. The Company shall disclose to the stock exchange(s), where its securities are listed, all related party transactions, as required under the Listing Regulations or any SEBI circulars, in the prescribed format within the prescribed timelines.

This Policy shall be hosted on the website of the Company and a reference to, or web-link of, this Policy may be disclosed in reports, as required by law from time to time.

INTERPRETATION OR MODIFICATION

The Board shall have the authority to amend or modify this Policy to align it with any amendments to the Act or the Listing Regulations or as and when deemed fit by the Board. In the event of any inconsistency between this Policy and any statutory provisions, the relevant provisions of the applicable law shall prevail upon the provisions of this Policy.