



GUFIC BIOSCIENCES LIMITED

POLICY ON
RELATED PARTY TRANSACTIONS

1. PREAMBLE

The Board of Directors (the “Board”) of Gufic Biosciences Limited (the “Company”) has adopted this Policy on Related Party Transactions (the “Policy”) upon recommendation of the Audit Committee and it includes the materiality thresholds and the manner of dealing with Related Party Transactions in compliance with the requirements of Section 188 of the Companies Act, 2013 and the rules specified thereunder (“the Act”) and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The Policy shall be reviewed by the Board of Directors at least once every three years and update it accordingly and amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

2. OBJECTIVE

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

3. DEFINITIONS

3.1 **“The Company”** means Gufic Biosciences Limited.

3.2 **“The Act”** means The Companies Act, 2013 including the rules thereunder and any amendment(s) or modification(s) or re-enactment(s) thereof from time to time.

- 3.3 **“Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s) or modification(s) or re-enactment(s) thereof from time to time.
- 3.4 **“Audit Committee or Committee”** means the Committee of the Board constituted from time to time under the provisions of Regulation 18 of Listing Regulations and Section 177 of the Act.
- 3.5 **“Board”** means the Board of Directors of the Company as defined under the Companies Act, 2013.
- 3.6 **“Key Managerial Personnel”** means Key Managerial Personnel as defined under Section 2(51) of the Act.
- 3.7 **“Associate Company”** means Company as defined under Section 2(6) of the Act.
- 3.8 **“Material Related Party Transaction”**: A Related Party Transaction shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during the 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 or such limits as may be prescribed either in the Act or the Listing Regulations, whichever is stricter, from time to time.
- 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, exceeds five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- 3.9 **“Material Modification”**: In relation to a Related Party Transaction approved by the Audit Committee or a material related party transaction approved by the Shareholders, as the case may be, material modifications means any variation having an impact on the monetary limits already approved by the Audit Committee or Shareholders, as the case may be, exceeding 25% of transactions value, in each case, over and above the approved limits or such other limits as may be decided by the Audit Committee from time to time.

- 3.10 **“Related Party”** means a related party as defined under the Act, Listing Regulations or under applicable accounting standards, including any amendment(s) or modification(s) thereof, as may be applicable, from time to time.
- 3.11 **“Related Party Transaction”** means such transactions as specified under Section 188 of the Act and rules made thereunder and Regulation 2(zc) of Listing Regulations including any amendment(s) or modification(s) thereof, as may be applicable, from time to time.
- 3.12 **“Relative”** means relative as defined under sub-section (77) of Section 2 of the Companies Act, 2013 and rules prescribed thereunder.
- 3.13 **“Transaction”** with a related party shall be construed to include a single transaction or a group of transactions.
- 3.14 **“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.
- 3.15 **“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 Memorandum of Association and Articles of Association of the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendment(s) thereof, from time to time, or any other applicable laws and regulations, shall have the meaning respectively assigned to them therein.

4. POLICY

The Audit Committee shall review and approve all Related Party Transactions based on this Policy.

All proposed Related Party Transactions must be reported to the Audit Committee for its prior approval in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee

may grant standing pre -approval/ omnibus approval, details whereof are given in a separate section of this Policy.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

4.1 IDENTIFICATION OF RELATED PARTY TRANSACTIONS:

Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format as per Annexure 1 containing the following information to the Company Secretary /Compliance Officer on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she or his/ her Relative is a member or Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
6. Names of the person(s) on whose advice, directions or instructions, he / she is accustomed to act.

(Provided that nothing in sub-clauses (5) and (6) above shall apply to the advices, directions or instructions obtained from a person in professional capacity).

Every Director and Key Managerial Personnel will also be responsible to update the Company Secretary /Compliance Officer of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

The Company Secretary /Compliance Officer shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of -

1. All Directors and Key Managerial Personnel;
2. All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
3. Company's holding company, subsidiary companies and associate companies;
4. Subsidiaries of holding company;
5. Director or Key Managerial Personnel of the holding company and their Relatives;
6. All group entities; and

7. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 or the relevant Accounting Standard.

The database shall be updated whenever necessary and shall be reviewed at least once a year jointly by the Company Secretary/Compliance Officer. The functional / business heads / Chief Financial Officer/Company Secretary/Compliance Officer /shall have access to the updated database.

Every Director, Key Managerial Personnel, Functional / Business heads / Chief Financial Officer will be responsible for providing prior notice to the Company Secretary/Compliance Officer of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.

The Company Secretary /Compliance Officer in consultation with the Chief Financial Officer may refer any potential related party transaction to any external legal/transfer pricing expert and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee. Based on this notice, the Company Secretary /Compliance Officer will take it up for necessary approvals under this Policy.

4.2 REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

All Related Party Transactions and subsequent material modifications shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or through electronic mode provided that only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions. A member of the Committee who (if) has a potential interest in any Related Party Transaction will not remain present at the meeting and abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such transaction is considered.

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 the financial year exceeds:

- i. ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company with effect from April 01, 2022.
- ii. ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary with effect from April 01, 2023.

Exception: Prior approval of the Audit Committee of the Company shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of Listing Regulations are applicable to such listed subsidiary.

4.2.1 CONSIDERATION/REVIEW BY THE COMMITTEE WHILE APPROVING THE PROPOSED RELATED PARTY TRANSACTIONS

Prior to the approval, the Committee, shall, *inter-alia*, consider the following factors to the extent relevant to the transaction:

- a. Type, material terms and particulars of the proposed transaction; Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise); Tenure of the proposed transaction (particular tenure shall be specified); Value of the proposed transaction;
- b. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)
- c. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
 - details of the source of funds in connection with the proposed transaction;
 - where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: nature of indebtedness; cost of funds; and tenure;
 - applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT;
- d. Justification as to why the RPT is in the interest of the Company;
- e. A copy of the valuation or other external party report, if any such report has been relied upon;

- f. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- g. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- h. Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction; and
- i. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.
- j. Any other information that may be relevant

While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee shall take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

In addition to the above, the Audit Committee may grant omnibus approval, taking into account, the factors and criteria laid down under the Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Regulations, as amended from time to time and subject to conditions as are detailed in Clause 4.2.4 below.

4.2.2 APPROVAL BY CIRCULAR RESOLUTION OF THE COMMITTEE

In the event(s) when the Company's management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in

force. Any such approval must be ratified by the Committee at its next scheduled meeting.

4.2.3 APPROVAL BY THE BOARD

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

4.2.4 STANDING PRE-APPROVAL / OMNIBUS APPROVAL BY THE COMMITTEE

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval / omnibus approval. While granting the approval, the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

- a. Name of the related party
- b. Nature of the transaction
- c. Period of the transaction
- d. Maximum amount of the transactions that can be entered into
- e. Indicative base price / current contracted price and formula for variation in price, if any
- f. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

Further, where the need of the related party transaction cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the value of transaction for a year not exceeding Rs. 1,00,00,000/- (Rupees One Crore only). Further, the Committee shall at least on a quarterly basis, review and assess such transactions including the limits to ensure that they are in compliance with this Policy.

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

4.2.5 APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS

All Material Related Party Transactions and subsequent material modifications shall require prior approval of the shareholders through resolution and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of the shareholders of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of Listing Regulations are applicable to such listed subsidiary.

4.2.6 TRANSACTIONS WHICH DO NOT REQUIRE APPROVAL

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee:

- (a) Any transaction involving the providing of compensation to a director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business;
- (b) 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; and
- (c) Any other transactions as are exempted by the purview of statutory provisions, as may be applicable, from time to time.

4.3 DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS

The disclosure of Related Party Transactions shall be submitted every six months within the prescribed time to stock exchanges in the format as specified by the Board from time to time and publish the same on its website. The Company Secretary /Compliance Officer and the Chief Financial Officer shall be, responsible for such disclosure. The Company Secretary /Compliance Officer shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013 and such registers



shall be placed before the next meeting of the Board and signed by all the Directors present at the meeting.

5. LIMITATION

In the event of any conflict between the clauses of this Policy and of the Listing Regulations / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations/ Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

6. DISSEMINATION OF POLICY

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on the intranet and website of the Company and web link thereto shall be provided in the annual report of the Company.

7. REVIEW OF THE POLICY

The Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly.

ANNEXURE 1

To
The Board of Directors
Gufic Biosciences Limited

Dear Sir(s)

I,, son/ daughter/ spouse of, resident of, being a in the Company, hereby give notice of my interest or concern in the following company or companies, bodies corporate, firms or other association of individuals:-

Sr. No.	Names of the Companies/bodies corporate/ firms/ association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding %	Date on which interest or concern arose / changed

Signature: _____

Name : _____

Designation: _____

Place: _____

Date: _____

Details of Relatives

Spouse	
Father	
Mother	
Son	
Son's Wife	
Daughter	
Daughter's Husband	
Brother	
Sister	