



GUFIC BIOSCIENCES LIMITED

POLICY ON
MATERIAL SUBSIDIARIES

1. PREAMBLE

The Board of Directors (the “Board”) of Gufic Biosciences Limited (the “Company”) has formulated policy and procedures with regard to determination of material subsidiary (ies) in compliance with the provisions of Companies Act, 2013 (“Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The Board may review and amend this policy from time to time.

2. OBJECTIVE

This Policy is intended to lay down criteria for determination of material subsidiary (ies), its governance, control and disposal. This policy is framed in accordance with the requirements of the Listing Regulations.

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**” 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 “**Subsidiary**” means a subsidiary as defined under the Companies Act, 2013 and Rules made thereunder.

3.7 “**Material Subsidiary**” as defined under Clause 16(1) (c), shall mean a subsidiary whose income or net worth exceeds 10% (ten percent) of the

consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3.8 **“Significant transaction or arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

3.9 **“Net worth”** shall mean net worth as defined in sub-section (57) of Section 2 of the Companies Act, 2013 as may be amended from time to time.

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)/ modification(s) thereof, from time to time, or any other applicable laws and regulations, shall have the meaning respectively assigned to them therein.

4. POLICY

A subsidiary shall be considered as Material Subsidiary, if any of the following conditions are satisfied as laid down in the Listing Regulations and amendments thereto:

4.1 If net-worth of the subsidiary company exceeds 10% of the consolidated net worth of the Company in the immediately preceding accounting year; or

4.2 If income of the subsidiary company exceeds 10% of the consolidated income of the Company in the immediately preceding accounting year.

5 GOVERNANCE FRAMEWORK:

5.1 The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.

5.2 The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.

5.3 A statement of all significant transactions and arrangements entered into by the unlisted subsidiary shall periodically bring to the attention of the Board of Directors of the Company.

5.4 At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.

Explanation - For the purpose of this clause, notwithstanding anything to the contrary contained in Regulation 16 of Listing Regulations, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

6 DISPOSAL OF MATERIAL SUBSIDIARY:

The Company shall not without prior approval of the members by Special Resolution:

6.1 Dispose shares in material subsidiaries that reduces Company’s shareholding to less than or equal to 50% (either on its own or together with other subsidiaries); or

6.2 Cease the exercise of control over the Subsidiary; or

6.3 Sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

unless the divestment, sale, disposal or lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

7 SCOPE & 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.

8 REVIEW AND AMENDMENT

The Board may monitor, review and amend the Policy from time to time as may be whenever necessitated due to amendments in the Companies Act, 2013 and Rules made thereunder, Listing Regulations or any other Regulations. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

9 DISSEMINATION OF POLICY

This policy shall be hosted on the website of the Company at www.gufic.com and a web link thereto shall be provided in the annual report of the Company, as per the provisions of the law in force.

(This policy has been approved by the Board of Directors of the Company on May 20, 2022.)