



GLAND PHARMA LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. Introduction

The Board of Directors (“**Board**”) of Gland Pharma Limited (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 Obligation and Disclosure Requirements) Regulations, 2015 (“**SEBI (LODR) Regulations**”) read with Section 188 of the Companies Act, 2013 including the Rules made thereunder (“**Act**”) as amended from time to time.

The Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly upon the recommendations made by the Audit Committee regarding any amendments required to be made to this Policy.

2. Objective

The objective of this Policy is to determine ‘materiality’ of a related party transaction and to ensure proper approval, disclosure and reporting of related party transactions as applicable under the SEBI (LODR) Regulations, between the Company and any of its related parties.

This Policy is adopted in the board meeting dated June 3, 2020; which will be applicable to the Company with respect to all Related Party Transactions covered within the scope of Regulation 23 of the SEBI (LODR) Regulations.

3. Applicable Laws

The Policy shall be applicable to the Company with respect to all Related Party Transactions covered within the scope of Regulation 23 of the SEBI (LODR) Regulations or such other Rules/Regulations, as may be notified by the Government/ SEBI from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

4. Definitions

- **Act** means the Companies Act, 2013
- **Audit Committee or Committee** means Committee of Board of Directors of the Company constituted under provisions of Clause 49 of the Listing agreement and Section 177 of the Companies Act, 2013.



- **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.
- **Board** means Board of Directors of the Company.
- **Key Managerial Personnel** shall have the meaning as defined in the Companies Act, 2013 and as amended from time to time
- **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 & Articles of Association.

The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

- **Relatives** with reference to any person shall have the meaning as defined in Section 2(77) of the Act read with clause 4 of the Companies (Specification of definition details) Rules, 2014.
- **Related Party**, with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013; provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.
- **Related Party Transaction (RPT)** means a transfer of resources, services or obligations between a listed entity and a Related Party, regardless of whether a price is charged and a "transaction" with a Related Party shall be construed to include a single transaction or a group of transactions in a contract.
- **Material Related Party Transaction** means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per the 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 5% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

5. Manner of dealing with related party transaction

Every Related Party Transactions proposed to be entered into by the Company must be reported to the Audit Committee for prior approval in accordance with this Policy and applicable laws.

The Audit Committee shall, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall include the following namely:

- Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
- The maximum value per transaction which can be allowed;
- Extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
- Review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company pursuant to each omnibus approval made;
- Transactions which cannot be subject to the omnibus approval of the Audit Committee

The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-

- repetitiveness of the transactions (in past or in future);
- justification for the need of omnibus approval

The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;

The omnibus approval shall provide details of

- (i) the name/s of the related party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into,
- (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any, and
- (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees twenty crore per transaction.





- The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the Company pursuant to the omnibus approval given.
- Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.
- Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

Approval of the Shareholders of the Company

- a) All Material Related Party Transactions shall require 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 the requirements specified herein shall not apply in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- b) In addition to the above, all kinds of transactions specified under Section 188 of the Companies Act as mentioned below need approval of shareholders:
 - are not in the ordinary course of business or not at arm's length basis; and
 - exceeds the thresholds laid down in the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time).

Disclosure and reporting:

- a) Appropriate disclosures as required under the Act and the SEBI (LODR) Regulations will be made in the annual return, Board's report and to the stock exchanges. The Policy shall also be disclosed on the website of the Company and a web link thereto shall be provided in the annual report of the Company.
- b) The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of RPTs on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

for GLAND PHARMA LIMITED

SRINIVAS SADU
MANAGING DIRECTOR & CEO