

BLISS GVS PHARMA LIMITED

**POLICY FOR
RELATED PARTY TRANSACTIONS**

INTRODUCTION:

The Board of Directors of the Company has adopted the following policy and procedure with regard to Related Party Transactions (RPTs), as defined below, in compliance with the requirements of Section 188 of the Companies Act, 2013 ('the Act') and rules made there-under and read with Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any modification(s) or re-enactment(s) from time to time (hereinafter called the "Listing Regulations") wherein the securities of the Company are listed in order to ensure the transparency and procedural fairness of related party transactions.

This policy has been adopted to set forth the procedures under which Related Party Transactions will be reviewed and approved or ratified, as permitted. This policy deals with the review and approval of Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise consequent upon the transaction entered into by the Company and whether the said transactions are consistent with the Company's and its shareholder's interest.

The Audit Committee of the Company shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.

OBJECTIVE OF THE POLICY:

The Objective of this Policy is to set out (a) materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of the Listing Regulations and any other laws and regulations as may be applicable to the Company.

This policy intends to ensure the proper approval and reporting of transactions by the Company and any of its related party in the best interest of the Company and its stakeholders.

DEFINITIONS:

"The Company" means Bliss GVS Pharma Limited.

"The Act" means The Companies Act, 2013 including any amendment(s) or modification(s) or re-enactment(s) thereof from time to time.

“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.

“Associate Company”, in relation to another company, means a company in which that other company has significant influence, but which is not a subsidiary company of the Company having such influence and includes a joint venture company, if any.

“Material Transaction” means a transaction with a Related Party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceed 10% of annual consolidated turnover of the Company as per last audited financial statement of the Company.

“Material Transaction” means a transaction as defined as material in Regulation 23 of the Listing Regulations or any other law or regulation including any amendment or modification thereof, as may be applicable 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 of the Company.

“Policy” means Related Party Transaction Policy.

“Relatives”, means relative as defined under Section 2(77) of the Act and rules prescribed thereunder from time to time.

“Related Party” means related party as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations including any amendment(s) or modification(s) or re-enactment(s) thereof from time to time and/or applicable accounting standards.

“Related Party Transaction” means such transactions as specified under Section 188 of the Act or rules made thereunder and Regulation 2(zc) of the Listing Regulations including any amendment or modification thereof, as may be applicable, from time to time.

“Key Managerial Personnel” or **“KMP”** shall have the meaning as defined in the Act and as amended from time to time

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

MATERIALITY THRESHOLDS:

In accordance with Regulation 23 of Listing Regulations, the Company has formulated this Policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved the Board of Directors.

A transaction with a related party shall be considered material if the transactions to be entered individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

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 2% of the annual consolidated turnover of the Company as per the last audited financial statements.

IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS:

The Responsible person (Chief Financial Officer, Finance & Accounts Head and Company Secretary) shall at all times maintain a database of Company's Related Parties containing the names of entities identified on the basis of the definition set forth in Definition Clause above, along with any revisions therein. Responsible Person will update the list of Related Parties whenever necessary and shall review at least once a year, as at the beginning of every financial year.

Responsible Person shall collate the information, coordinate and send the Related Party List to the concerned employees, business heads, the Finance & Accounts Department, Auditors and others who he/she believes might be in the position to conduct/ make Related Party Transactions.

Functional departmental heads shall submit to the Responsible Person the details of proposed transaction(s) with details/ draft contract/ draft agreement or other supporting documents

justifying that the transactions are on arms' length basis and in ordinary course of business at prevailing market rate. Based on this note, Company Secretary will appropriately take it up for necessary prior approvals from the Audit Committee at its next meeting and convey back the decision to the originator.

For the purpose of implementing the provisions under this Policy, the Board of Directors and the Audit Committee of the Company shall receive timely, full and sufficient information about the Transactions covered under this Policy.

In determining, whether to approve or not a Related Party Transaction, the Board will take into account, among other factors, recommendations of the Audit Committee, whether the said Transaction is in the interest of the Company and its stakeholders and there is no actual or potential conflict of interests between the related parties.

PROCEDURES TO DEAL WITH RELATED PARTY TRANSACTIONS:

This Policy will operate within the framework of the Companies Act 2013, rules there under and the Listing Regulations, as amended from time to time. The policy prescribes that;

A. Approval of the Audit Committee

All related party transactions require prior approval of the Audit Committee. All such transactions shall be accompanied with Management's justification for the same. The Audit Committee before approving such transactions will look into the interest of the Company and its stakeholders in carrying out the transactions and other related benefits. The Committee may accordingly approve or modify such transactions, in accordance with this policy.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.

In case of a transaction, other than transactions referred to in Section 188 of the Act, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

Omnibus approval of the Audit Committee

The Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliance with the following conditions:

- i. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:
 - a. Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - b. The maximum value per transaction which can be allowed;
 - c. Extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval;
 - d. 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;
 - e. Transactions which cannot be subject to the omnibus approval by the Audit Committee
- ii. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-
 - a. repetitiveness of the transactions (in past or in future);
 - b. justification for the need of omnibus approval
- iii. 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;
- iv. The omnibus approval shall provide details of (i) the name/s of the related party, (ii) nature and duration of the transaction, (iii) maximum amount of transaction that can be entered into, (iv) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price, if any and (v) any other conditions as the Audit Committee may deem fit.

Provided that where the need for related party transactions 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 1 crore per transaction.

- v. 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;
- vi. 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.
- vii. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
- viii. Any other conditions as the Audit Committee may deem fit.

B. Approval of the Board of Directors of the Company

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said section and which are not in the ordinary course of business or at arm's length basis, shall be placed before the Board for its approval. Such approval shall be granted only by means of a Resolution passed at a Meeting of the Board. The Company may if it considers necessary, and shall if the Audit Committee or Board so requires, seek external professional opinion to determine whether a Related Party Transaction is in the Ordinary Course of Business and/ or at Arms' Length.

In addition to the above, the following kinds of transactions with related parties shall also be placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are ,as per the policy, determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- Transactions exceeding the materiality thresholds laid down in this Policy, which are intended to be placed before the shareholders for approval.

The Company shall enter into any contract or arrangement with a related party subject to the conditions prescribed in the Act.

The agenda of the Board meeting at which the resolution is proposed to be moved for the approval of the Related Party Transaction shall disclose the following details:

- (a) the name of the related party and nature of relationship;
- (b) the nature, duration of the contract and particulars of the contract or arrangement;
- (c) the material terms of the contract or arrangement including the value, if any;
- (d) any advance paid or received for the contract or arrangement, if any;
- (e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- (g) any other information relevant or important for the Board to take a decision on the proposed transaction.

Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the Meeting during discussions on the subject matter of the Resolution relating to such contract or arrangement.

While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

- Nature of the transaction i.e. details of goods or property to be acquired / transferred or services to be rendered / availed – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
- Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum;
- Key covenants (non-commercial) as per the draft of the proposed agreement/ contract to be entered into for such transaction;
- Special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
- Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
 - market analysis, research report, industry trends, business strategies, financial forecasts, etc.;

- third party comparable, valuation reports, price publications including stock exchange and commodity market quotations;
- management assessment of pricing terms and business justification for the proposed transaction;
- comparative analysis, if any, of other such transaction entered into by the company.

C. Approval of the Shareholders of the Company

All the transactions with related parties exceeding the materiality thresholds, laid down in this Policy, shall be placed before the shareholders for approval. For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a related party to the particular transaction or not.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for its approval.

The requirement for seeking Shareholders approval shall not be applicable for the following cases:

- transactions between the Company and its wholly-owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy, and shall take any such action it deems appropriate.

However, in connection with any review of a Related Party Transaction, the Audit Committee shall have the authority to modify or waive any procedural requirements of this Policy.

DISCLOSURES:

- All Directors / KMPs are required to disclose the entities in which they or their relatives are or deemed to be interested, in the prescribed form.
- Each Director and KMP of the Company shall promptly notify the Company Secretary of any material transaction or relationship that could reasonably be expected to give rise to any conflict of interest.
- Each Director and KMPs of the Company is responsible for providing declaration / notice to the Company Secretary about Related Party Transaction involving the Company and him or her or an entity wherein he / she or his / her relative is interested, including any additional information about the transaction that the Company Secretary may reasonably request.
- The Company Secretary in consultation with the management and an independent counsel, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.
- The Company shall maintain Register in the prescribed form.
- The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.
- 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 related party transactions 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.
- The Company shall provide details of all material transactions with related parties shall be disclosed, quarterly in the Compliance Report on Corporate Governance, as required under Listing Regulation.
- The Company shall disclose the policy on dealing with Related Party Transactions on its website and a weblink thereto shall be provided in the Annual Report of the Company.

REVIEW OF THE POLICY:

This Policy shall be reviewed by the Board of Directors atleast once every three years and updated accordingly based on the recommendations of the Audit Committee.

AMENDMENTS IN LAW:

The Audit Committee and Board of Directors as per the recommendations of Audit Committee can amend this policy, as and when deemed fit. Any or all provisions of this Policy would be subject to review/revision/ amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail under the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

COMPLIANCE RESPONSIBILITY:

Compliance of this Policy shall be the responsibility of the Chief Financial Officer of the Company who shall have the power to ask for any information or clarifications from the management in this regard.
