



## **POLICY ON RELATED PARTY TRANSACTION PURSUANT TO REGULATIONS 13 OF SEBI (LODR) REGULATIONS 2015**

### **Scope and Purpose of the Policy:**

Our Company, Gian Life Care Limited intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (herein after called "Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 (herein after called Rules), applicable Accounting Standard and Regulation 23 of SEBI (LODR) Regulation 2015.

Further as per Regulation 23 (1) of SEBI (LODR) Regulation, 2015 a listed company shall have to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

In view of the above, Gian Life Care Limited has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. The Board may amend this policy sue moto, or on recommendations of the Audit Committee from time to time. The Audit Committee would review and amend the Policy, as and when required, subject to adoption by the Board.

### **Definitions**

"Act" means Companies Act, 2013

"Accounting Standard" means the Accounting Standard 18, as notified by the ICAI, as applicable on date including any amendment / modification thereto from time to time and tor any other Standard notified by ICAI or any other Authority including MCA, as may be applicable.

"Arm's length price", would have the meaning as defined by the Companies Act 2013, and rules made there under and judicial and other pronouncements, as applicable from time to time and shall means a price which is applied or proposed to be applied in a transaction between persons other than associated enterprises ,in uncontrolled conditions.

"Arm's Length Transaction" - means a transaction between two related parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

"Associate" means a Company as defined under section 2(6) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23,

"Accounting for Investments in Associates in Consolidated Financial Statements" and by Accounting Standard (AS) 18, "Related party disclosures".

"Audit Committee or Committee" means the Committee of the Board formed under Section 177 of the Act and Regulations 18 of SEBI (LODR) Regulations, 2015.

"Board" means Board of Directors of the Company.

"Control" means control as defined in Section 2 (27) of the Act and shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"Key Managerial Personnel" shall mean the officers of the Company as defined in Section 2(51) of the Act.

"Policy" means Related Party transaction Policy.

"Material Related Party Transaction" means a transaction with a related party where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

"Related Party" as defined under Regulation 2(zb) of SEBI (LODR) Regulations is as under - An entity shall be considered as related to the Company if:

- Such entity is a related party under section 2 (76) of the Companies Act, 2013; or
- Such entity is a related party under the applicable accounting standards.
- Section 2(76) of the Companies Act, 2013, as referred above, defines Related Party as —
  - A Director or his relative;
  - A Key Managerial Personnel or his relative;
  - A firm, in which a director, manager or his relative is a partner;
  - A private company in which a director or manager is a member or director;
  - A public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
  - Anybody corporate who's Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; [Except advice, directions or instructions given in a professional capacity]

- Any person on whose advice, directions or instructions a director or manager is accustomed to act. [Except advice, directions or instructions given in a professional capacity]
- Any company which is a holding, subsidiary or an associate company of such company; or a subsidiary of a holding company to which it is also a subsidiary.
- A director other than an Independent Director or Key Managerial Personnel of the holding Company or his relative with reference to a Company.

"Relative": with reference to any person, means who is related to another, if:-

- They are members of a Hindu Undivided Family;
- They are Husband or wife or
- One person is related to the another in the following manner, namely:-
- Father, includes step-father.
- Mother, includes step-mother.
- Son includes step-son.
- Son's wife.
- Daughter.
- Daughter's husband.
- Brother, includes step-brother.
- Sister includes step-sister.

"Significant influence" as defined by Accounting Standard 18 means participation in the financial and/or operating policy decision of an enterprise, but not control of those policies.

The definitions above said for the observance of the Policy by the Company and its Board (including Committee/s thereof), shall be subject to exercise of the statutory powers of the Regulatory Authorities with respect to repeal or alteration or addition to their respective meaning as prescribed by or under Companies Act 2013, the SEBI Act, and any other applicable laws for the time being in force.

**Policy:**

All Related Party Transactions shall require prior approval of the Audit Committee unless otherwise specifically exempted in accordance with this Policy.

Identification of Related Party:

Each director and Key Managerial Personal is responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as "related Party" by virtue of

his/her being Director/KMP in the entity or holding certain shareholding percentage. Such notice shall be provided to the company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

### **Disclosures**

The Company is required to disclose Related Party Transactions in the Board's Report to shareholders of the Company along with justification for entering into such transactions.

Details of all Material Related Party Transactions shall be disclosed quarterly along with Company's Compliance Report on Corporate Governance, in accordance with the Listing Regulations.

The Company is also required to disclose this Policy on its website and web link will also be provided in the Annual Report of the Company.

The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any related party. This Policy will be communicated to all operational employees and other concerned persons of the Company.

### **Restrictions relating to Related Party Transactions**

All Related Party Transactions shall require prior approval of Audit Committee. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

The following transactions will also require prior approval of the shareholders through special resolution.

- Sale, purchase or supply of goods or materials, directly or through appointment of agent exceeding 10% of the turnover of the Company or Rs.100 crores, whichever is lower;
- Selling or disposing or purchasing of property of any kind, directly or through appointment of an agent, exceeding 10% of the net-worth of the Company or Rs.100 crores, whichever is lower ;
- Leasing of property of any kind exceeding 10% of the net-worth of the Company or 10% of the turnover of the Company or Rs.100 crores, whichever is lower;
- Availing or rendering of any services, directly or through appointment of an agent exceeding 10% of the turnover of the Company or Rs.50 crores, whichever is lower;
- Appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding Rs.2,50,000.
- Remuneration for underwriting the subscription of any securities or derivatives of the Company exceeding 1% of the net-worth of the Company.

The Turnover/ Net-worth referred in this clause shall be computed on the basis of Audited Financial statement of the Company in the preceding financial year.

The limits specified in sub-clause (i) to (iv) above shall apply for the transaction(s) during a financial year, either individually or taken together.

The explanatory statement to be annexed to the notice of a general meeting convened pursuant shall contain the following particulars namely:

- Name of the related party
- Name of the director or key managerial personnel who is related, if any;
- Nature of relationship
- Nature, material terms, monetary value and particulars of the contract or arrangement
- Any other information relevant or important for the members to take a decision on the proposed resolution

**Review and Approval of Related Party Transactions:**

Related Party Transactions will be reported to the Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recuses himself/herself and abstains from a discussion and voting on the approval of the Related Party Transaction(s).

The Audit Committee shall be provided with the material facts of such Related Party Transactions and the Audit Committee will determine whether to approve such Related Party Transactions or not.

In assessing a Related Party Transaction, the Audit Committee shall consider such factors as it deems appropriate, including without limitation —

- the business reasons for the Company to enter into the Related Party Transaction;
- the commercial reasonableness of the terms of the Related Party Transaction;
- the materiality of the Related Party Transaction to the Company;
- whether the terms of the Related Party Transaction are fair to the Company and on the same basis as would apply if the transaction did not involve a Related Party; and
- the extent of the Related Party's interest in the Related Party Transaction.

The following Related Party Transactions shall not require prior approval of Audit Committee or Shareholders:

- Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- 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. Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the holding company and placed before the shareholders at the general meeting for approval.

### **Omnibus approval**

Criteria and the need for granting omnibus approval

The Audit Committee may, in the interest of the Company to ensure smooth operations, grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature and which are routine and incidental to the general operations of the Company, subject to such conditions as it may deem fit. Such approval shall be valid for a period not exceeding one year and shall specify the following:

- The name(s) of the Related Party;
- The nature of the transaction, period of transaction, maximum amount of transaction that can be entered into &
- The indicative base price/current contract price and the formula for variation in the price, if any.

The Audit Committee may also grant omnibus approval, without the above details, for unforeseen transaction subject to a value not exceeding Rs. 1 crore per transaction.

Such Omnibus approvals shall be valid for a maximum period of one year. The Audit Committee shall review the details of Related Party Transactions entered into by the Company pursuant to such Omnibus approvals, on a quarterly basis.

### **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 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.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without its approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

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