

POLICY ON RELATED PARTY TRANSACTIONS

1. OBJECTIVE

This policy is proposed to be framed for complying with the requirement of the Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 which provides that every listed company shall formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

2. PREAMBLE

Brawn Biotech Limited ("the Company") has always been committed to good corporate governance practices. As a matter of practice, the Company follows arm's length basis in transacting business with its related parties which are in the ordinary course of business.

The said Policy includes materiality thresholds and the manner of dealing with Related Party Transactions ("the Policy") in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules framed thereunder and Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

This Policy applies to transactions between the Company and one or more of its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

3. DEFINITIONS

- (i) "Act"** means Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- (ii) "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. For determining Arm's Length basis, guidance may be taken from the transfer pricing provisions under the Income-tax Act, 1961.
- (iii) "Audit Committee or Committee"** means Committee of the Board of Directors of the Company constituted under Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (iv) "Board of Director" or "Board"** means the Board of Directors of Brawn Biotech Limited, as constituted from time to time.
- (v) "Company"** means Brawn Biotech Limited.
- (vi) "Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (vii) "Key Managerial Personnel"** means Key Managerial Personnel of the Company under the Companies Act, 2013 and includes -



- i. Managing Director, or Chief Executive Officer or Manager
- ii. Company Secretary
- iii. Whole-time Director
- iv. Chief Financial Officer

(viii) **"Listing Regulations"** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

(ix) **"Material Related Party Transaction"** means a Related Party Transaction which 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.

(x) **"Ordinary course of business"** would have the meaning as defined by the Institute of Chartered Accountants of India, Companies Act, 2013, and as per the guidelines and judicial and other pronouncements, as applicable from time to time.

(xi) **"Policy"** means Related Party Transaction Policy including amendments, if any, from time to time.

(xii) **"Related Party"** means related party as defined in section 2(76) of the Companies Act, 2013 and Regulation 2(1)(ZB) of SEBI (Listing Obligations and Disclosure Requirements), 2015 which is as follows:

A 'related party' is a person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making the financial and/or operating decisions and includes the following

- i. A person or a close member of that person's family is related to a company if that person is a related party under Section 2(76) of the Companies Act, 2013 as per Annexure 1(a).
- ii. An entity is related to a company if any of the conditions applies as per Annexure 1(b).
- iii. The term Associate Company and Significant influence shall be as defined under the Companies Act, 2013.
- iv. The term Joint Venture shall mean only jointly controlled entities.'

(xii) **"Related Party Transaction"** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

(xiii) **"Relative"** Means, relatives as defined under the Companies Act, 2013 and includes anyone who is related to another, if -

- i. They are member of a Hindu Undivided Family;
- ii. They are husband and wife; or
- iii. One person is related to the other in such manner as may be prescribed, which is as follows:



Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

4.4 Approval of the Shareholders

All the Material Related Party Transactions shall require approval of the shareholders through resolution and the Related Parties shall abstain from voting on such resolutions.

All the transactions, other than the Material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the shareholders through resolution if so required under any law and the Related Party/ies with whom transaction is to be entered into shall abstain from voting on such resolution.

5. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

6. DISCLOSURES

6.1 Report on Corporate Governance

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

6.2 Annual Report

The company shall disclose the policy on dealing with Related Party Transactions on its website and also a web-link thereto shall be provided in the Annual Report.

7. AMENDMENTS

7.1 Amendments in the Policy of Related Party Transactions

Amendments, from time to time, to the Policy, if any, shall be considered by the Board of Directors based on the recommendations of the Audit Committee.

7.2 Amendment in Law

Any subsequent amendment/ modification in the Listing Regulations and/or applicable laws in this regard shall automatically apply to this Policy.

