

**POLICY ON MATERIALITY OF
RELATED PARTY TRANSACTIONS
AND
ON DEALING WITH
RELATED PARTY TRANSACTIONS
OF
M/S. LINCOLN PHARMACEUTICALS LIMITED**

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1) **PURPOSE:**

This policy aims to determine the materiality of Related Party Transactions ('RPTs') and to deal with RPTs of Lincoln Pharmaceuticals Limited (the 'Company').

This policy is prepared in accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') as amended from time to time, and Section 177 and 188 of the Companies Act, 2013 (the 'Act') read with Rules made thereunder, as amended from time to time.

2) **TERMS AND REFERENCES:**

2.1 Material Related party Transactions:

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 with such related party during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

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 five to percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

2.2 Subsequent material Modification

A material related party transactions will be considered to be subsequently materially modified if the transaction / transactions entered into with such related party or taken together with previous transactions done with such related party individually during a financial year, exceeds in value by 20 percent of the value of material transactions approved initially.

For transactions which are not material in terms of clause 2.1, any renewal or continuation of transaction/agreement with the related party on the terms and conditions previously approved by Audit Committee shall not be considered as modification or material modification or subsequent material modification.

3) **APPROVALS AND REVIEW:**

- **Prior approval of Audit Committee shall be required for:**

- All RPTs and any subsequent material modification shall require prior approval of the Audit Committee (the 'Committee' Further, member of the Committee who are Independent Directors only shall approve RPTs.
- a related party transaction to which the subsidiary of a Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company.
- with effect from April 1, 2023, a related party transaction to which the subsidiary of a Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR as amended from time to time.

All RPTs including RPTs approved through omnibus approval, shall be reviewed post facto by the Committee on a quarterly basis.

Omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

- **Approval by shareholders:**

All material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2), shall require prior approval of the shareholders through resolution and the related parties shall abstain from voting on no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

4) TRANSACTIONS WITH WHOLLY OWNED SUBSIDIARIES:

Provisions of regulation 23 (2), 23(3), 23(4) of Listing regulation shall not applicable in the following cases:

- a) Transactions entered into between the company and its wholly owned subsidiary whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval. Transactions of the Company with a wholly owned subsidiary subject to compliance with the provisions of Section 177 read with Section 188 of the Act.

5) DISCLOSURES:

- a) Particulars of RPTs shall be disclosed in such manner and within such timelines as prescribed under the Listing Regulations and/or the Act (including rules made thereunder), from time to time.
- b) This Policy shall be disclosed on the Company's website www.gravitaindia.com and a web link thereto shall be provided in the Annual Report of the Company.

6) APPLICABILITY, REVIEW AND AMENDMENT:

Applicable provisions of the Companies Act, 2013 and the Listing Regulations pertaining to Related Party Transactions and dealing with Related Party Transactions which are not specifically covered in this Policy shall be deemed to form part of this Policy.

The Board shall review the Policy at least once in every three years. The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

The present revision in Policy on Materiality of Related Party Transactions and on dealing with related party transactions has been approved by the Board of Directors at its meeting held on 9th February, 2023 and is effective with effect from 1st April, 2023.

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