

COMBAT DRUGS LIMITED

POLICY FOR RELATED PARTY TRANSACTION

This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

1. Definitions

“Act” shall mean the Companies Act, 2013 and includes any amendment thereof.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the Listing Agreement, as amended from time to time.

2. Approval of related party transactions

A. Approval of the Audit Committee

i. All the transactions which are identified as related party transactions should either be pre-approved by the Audit Committee before entering into such transaction or the Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23 of SEBI LODR 2015 and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

ii. Any member of the 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. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders.

iii. A transaction with a related party shall be considered material if the transaction(s) 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 listed entity as per the last audited financial statements of the listed entity.

iv. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval.

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B. Approval of the Board of Directors

- Any related party transaction which are not in the ordinary course of business and/ or not at an arm's length basis and / or
- Material Related Party transaction beyond the threshold limit of 10% of annual consolidated turnover, which are intended to be placed for the shareholders' approval -

Such Related Party Transaction shall require approval of the Board at their meeting as required under the Companies Act, 2013 or rules made thereunder. Any member of the Board who has any interest in any related party shall abstain from discussion and voting on the approval of the related party transaction.

C. Approval of the Shareholders

If a related party transaction exceeds the materiality threshold limit ie.10% of annual consolidated turnover, it shall require shareholders' approval through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

3. Related Party Transactions not approved under this Policy:

In the event the Company becomes aware of a transaction with a Related Party that has not been approved under this Policy, 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 but not limiting to ratification, revision or termination of such Related Party Transaction.
