

HEALTHIUM MEDTECH LIMITED
CIN No. U03311KA1992PLC013831

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POLICY ON RELATED PARTY TRANSACTIONS

1. Introduction

Healthium Medtech Limited (hereinafter referred “the **Company**”) recognizes that transactions between the Company and one or more of its Related Parties (more particularly referred to as “**Related Party Transactions**” and defined hereinafter) present a risk of actual or potential conflicts of interest. With a view to ensure that the Related Party Transactions are in the best interest of the Company and its Stakeholders, the Board of Directors (the “**Board**”) of the Company has adopted this Policy on Related Party Transactions (the / this “**Policy**”) in line with the requirements Section 188 of the Companies Act, 2013 (“**Act**”) (as amended) along with rules, regulations and circulars made/issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions. **Objective of the Policy**

- a) The objective of this Policy is to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties in accordance with the Applicable Law.
- b) To ensure high standards of Corporate Governance while dealing with related parties.

2. Definitions

- a) “**Applicable Law**” means the Companies Act, 2013 (“the **Act**”) and the Rules prescribed thereunder and includes any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.
- b) “**Arm’s Length Basis**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- c) “**Associate**” means a company as defined under Section 2(6) of the Act, and Indian Accounting Standard (Ind AS) 28 - Investments in Associates and Joint Ventures
- d) “**Audit Committee**” means the Audit Committee of the Board of Directors which as on date constituted under the provisions of Section 177 of the Act and other applicable rules thereunder.
- e) “**Body Corporate**” means an entity as defined in Section 2(11) of the Act.

- f) “**Director**” means a person as defined in Section 2(34) of the Act.
- g) “**Key Managerial Personnel**” mean the officers of the Company as defined in Section 2(51) of the Act and Rules prescribed thereunder.
- h) “**Employees**” mean the employees and office-bearers of the Company, including but not limited to Whole-Time Directors.
- i) “**Ordinary Course of Business**” means all such acts and transactions undertaken by the Company in the normal routine to conduct its business operations and activities and includes all such activities which the Company can undertake as per the Objects clause of the Memorandum of Association of the Company. The Company should take into account the frequency of the activity and its continuity carried out in a normal organized manner for determining what is in the Ordinary Course Business.
- j) “**Relative**” shall have the meaning assigned to it in Section 2(77) of the Act and the Rules prescribed thereunder.
- k) “**Related Party**” means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act.
- l) “**Related Party Transactions**” means such transactions directly or indirectly involving any Related Party as specified under Section 2(76) read with Section 188 of the Act, or Rules prescribed thereunder including any amendment or modification thereof, as may be applicable. Related Party Transaction shall be construed to include a single transaction or a group of transactions in a contract.
- m) “**Senior Management**” means officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- n) “**Subsidiary**” means a company as defined in Section 2(87) of the Act read with relevant Rules prescribed thereunder.

Any other term not defined herein shall have the same meaning as defined in the Act or any other Applicable Law or Regulation in force.

3. Interpretation

In case of any dispute or difference upon the meaning/interpretation of any provision in the Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term / provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

4. Related Party Transactions

Related Party Transactions, whether under the Act or under the Income Tax Act, 1961 including nuances and changes therein are informed to the Senior Management from time to time by the Corporate Finance team including those in Direct and Indirect Taxations.

As a matter of policy, regardless of whether an entity is a Related Party or not, there is an inherent mechanism by which comparative quotes are obtained from more than one source before fixing prices in respect of procurements. When it comes to pricing of sale transactions, there is no specific guideline or instruction for any concessional approach to be adopted for sale transactions with Related Parties. Any transfer of resources, services or obligations between the Company and a Related Party, would get covered as a 'Related Party Transaction', whether or not, there is an element of consideration or price.

5. Review and Approval of Related Party Transactions

All Related Party Transactions shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or through electronic mode. A member of the Committee who (if) has a potential interest in any Related Party Transaction may remain present in the meeting but shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not and shall not be counted in determining the presence of a quorum when such transaction is considered.

6.1 Approval of Audit Committee

The Company shall enter into Related Party Transactions only with the prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for the proposed Related Party Transaction subject to the following conditions:

The Audit Committee shall lay down the criteria for granting omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;

The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

Such omnibus approval shall specify the following:

- i. Name(s) of the Related Party;
- ii. Nature of the transaction; Period of transaction;
- iii. Maximum amount of transaction that can be entered into;
- iv. The indicative base price / current contracted price and the formula for variation in the price, if any, and;
- v. Such other conditions as the Audit Committee may deem fit.

In such cases where the need for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to the value as prescriber under the Companies Act or any other laws as applicable.

The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given;

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

The Audit Committee shall also undertake an evaluation of the Related Party Transaction.

6.2 Approval of the Board of Directors

Any Related party transactions which are not in the ordinary course of business or not at arm's length price shall require a prior approval of the Board.

Any Member of the Board of Directors falling under the definition of related party shall not vote to approve the relevant transaction irrespective of whether the Member is a party to the particular transaction or not

6.3 Approval of Shareholders

- i. All related party transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act shall require prior approval of the Shareholders/Members of the Company by way of a Resolution passed at the general meeting of the Company.

No Related Party of the Company shall vote to approve on such Resolution if such Member is a related party. If prior approval of the Audit Committee or Board or Shareholders/Members for entering into a Related Party Transaction is not feasible, then the Related Party Transaction shall be ratified by the Audit Committee and the Board or general meeting, if required, within 3 months of entering in the Related Party Transaction.

In any case where either the Audit Committee or Board or Shareholders/Members determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee or Board or Shareholders/Members, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

In connection with any review of a Related Party Transaction, the Audit Committee or Board has authority to modify or waive any procedural requirements of this Policy. In determining whether to approve or ratify a Related Party Transaction.

6.4 Related Party Transactions that shall not require approval:

The following transactions shall not require separate approval under this Policy:

- i. Any transaction that involves the providing of compensation to a Director or Key Managerial Personnel, in accordance with the provisions of the Act, 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;
- ii. Indemnification and advancement of expenses made pursuant to any agreement or by-laws of the Company;
- iii. 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;
- iv. Any transaction which is in the Ordinary Course of Business and on an Arm's Length Basis as determined in terms of this Policy.
- v. Any other exception which is consistent with the Applicable Law, including any Rules or Regulations made thereunder, and must be approved in advance by the Audit Committee.

6.5 Approval by Circular Resolution

In the event the company management determines that it is impractical or undesirable to wait until a meeting of the Board/Committee to enter into a Related Party Transaction, such

transaction may be approved by the Board/Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified by the Board/Committee at its next scheduled meeting.

6. Disclosure

In terms of the provisions of the Companies Act, 2013 and the rules made thereunder, the Company shall disclose the contract or arrangements entered into with the Related Party in AOC-2 which shall be annexed to the Board report to the shareholders

7. Policy Review

Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time as this Policy is changed to conform to the law, rule, regulation or standard.

8. Amendments

The Company may amend the Policy as and when it deems necessary either pursuant to any change in law or otherwise. The Company shall be free to devise and implement any supplementary or other policies and guidelines in respect hereof for better implementation of this Policy.

REVISION TRACKER

Version Number	Date of approval by Audit Committee	Date of approval by Board of Directors
1.1	24-03-2023	24-03-2023