



TTK HEALTHCARE LIMITED

Regd. Office: No.6, Cathedral Road, Chennai 600 086

POLICY ON RELATED PARTY TRANSACTIONS

(1) PREAMBLE:

The Board of Directors (the “Board”) of TTK Healthcare Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions as defined elsewhere in this policy document.

This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company.

The Audit Committee will review and may amend this policy from time to time subject to the approval of the Board of Directors.

(2) PURPOSE:

This policy is framed as per requirement of Clause 49 of the Listing Agreement between the Company and the Stock Exchanges and intended to ensure a process for 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. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and its Related Parties as well as policies concerning transactions with Related Parties.

(3) DEFINITIONS:

“**Arm’s Length Transaction**” means a transaction between two related parties that is conducted as if they were unrelated.

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of the Listing agreement and the Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Key Managerial Personnel” means Key Managerial Personnel as defined under the Companies Act, 2013 which presently consist of:

- (i) Managing Director or Chief Executive Officer or Manager and in their absence, a Wholetime Director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer.

“Material Related Party Transaction” means a transaction with a related party if 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.

“Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

“Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined in Clause 49 of the Listing Agreement 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 financial and/or operating decisions and includes the following:

- (1) A person or a close member of that person’s family is related to a company if that person:
 - (a) is a related party under Section 2(76) of the Companies Act, 2013 which are as follows:
 - (i) a director or his relative ;
 - (ii) a key managerial personnel or his relative ;
 - (iii) a firm, in which a director, manager or his relative is a partner ;
 - (iv) a private company in which a director or manager is a member or director ;
 - (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital ;

- (vi) any body-corporate whose Board of Directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager ;
- (vii) any person under whose advice, directions or instructions a director or manager is accustomed to act :
- (viii) Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity ;
- (ix) 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 ;
- (x) Director or key managerial personnel of the holding company or his relative with reference to a company; or
- (b) has control or joint control or significant influence over the company; or
- (c) is a key managerial personnel of the company or of a parent of the company; or
- (2) 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.

“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 and more specifically shall mean the transactions listed under Section 188 of the Companies Act, 2013 and as defined in Clause 49 (VII)(A) of Listing Agreement from time to time.

“Relative” means relative as defined under the Companies Act, 2013, as reproduced below:

- (i) Members of a Hindu Undivided Family ;
- (ii) They are husband and wife ; or
- (iii) Father (including step-father)
- (iv) Mother (including step-mother)
- (v) Son (including step-son)
- (vi) Son’s wife
- (vii) Daughter
- (viii) Daughter’s husband
- (ix) Brother (including step-brother)
- (x) Sister (including step-sister)

Any term not defined under this Policy shall have the same meaning as provided under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

(4) POLICY:

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee, in accordance with this Policy.

4.1 Identification of Potential Related Party Transactions:

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Audit Committee / Board may reasonably request. Audit Committee / Board will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee / Board has adequate time to obtain and review information about the proposed transaction.

4.2 Related Party Transactions Requiring Approval:

All Related Party Transactions shall require prior approval of Audit Committee save for transactions falling under Omnibus Approval Policy prescribed by the Audit Committee.

The following transactions shall not require the approval of the Audit Committee:

- (i) 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.
- (ii) Any transaction of purchase by any director or KMP or their relatives of any goods dealt in by the Company or availing of services provided by the Company on terms applicable to all the employees of the Company.
- (iii) Any transaction involving the provision of remuneration to a Director or Key Managerial Personnel, in connection with his duties to the Company including the reimbursement or business and travel expenses incurred in the ordinary course of business.
- (iv) Any transaction with any wholly owned subsidiary provided the accounts are consolidated.

- (v) Payment/Reimbursement of expenses incurred pursuant to the performing of duties and discharging of obligations in connection with the business and operations of the Company.

The following transactions are covered by the Omnibus Approval Policy and shall require quarterly reporting to the Audit Committee for its review:

- (i) Repetitive transactions like use of Transit House facilities belonging to Related Parties
- (ii) Stray transactions the values of which do not exceed Rs.50 lakhs per transaction but shall not include transactions which require prior approval under the provisions of Companies Act, 2013.

Omnibus Approval Policy shall be reviewed by the Audit Committee annually and the Policy shall be in conformance with provisions of the Listing Agreement.

The following transactions require the prior approval of the Shareholders through Special Resolution:

- (i) All materials Related Party Transactions; and
- (ii) Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, which are not in the ordinary course of business or not at arm's length.

The Related Parties shall abstain from voting on such resolution.

4.3 Review and Approval of Related Party Transactions:

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- (a) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

- (b) Reasons for choosing a related party over a third party
- (c) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- (d) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why prior approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

(5) 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 Committee. The 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 ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without 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 Committee has authority to modify or waive any procedural requirements of this Policy.

The process under this Clause 5 shall be without prejudice to any action or penalty that may arise on account of non-compliance as provided under the applicable law.

(6) COMMUNICATION:

This Policy and any amendments or replacements thereof will be posted on the Company's web site and also communicated to all operational employees and other concerned persons of the Company.
