



**TTK HEALTHCARE LIMITED**  
**Regd. Office: No.6, Cathedral Road, Chennai 600 086**

**POLICY ON RELATED PARTY TRANSACTIONS**

**[Adopted and approved at the Board Meeting held on October 17, 2025]**

**(1) PREAMBLE:**

The Policy on Related Party Transactions ("Policy") provides a framework to regulate the transactions between the Company and its Related Parties to ensure transparency, fairness and compliance with applicable laws.

The Policy was formulated, approved and adopted by the Board of Directors, based on the recommendations of the Audit Committee at its meeting held on February 02, 2018, in accordance with the provisions of Section 188 of the Companies Act, 2013 ("the Act") and the Rules made thereunder, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and applicable Accounting Standards. Subsequently, the Policy was amended in line with the amendments to the SEBI (LODR) Regulations, 2015 by the Board of Directors at its meeting held on February 09, 2022.

In line with the Industry Standards specified by SEBI vide its Circular No. SEBI/HO/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025, the Policy is hereby amended.

**(2) OBJECTIVES:**

- To set out the criteria for identifying Related Parties and Related Party Transactions (RPTs).
- To set out the manner of dealing with the transactions between the Company and its Related Parties.
- To set out the materiality thresholds for RPTs, based on the Act, SEBI LODR and any other statute as may be applicable to the Company.
- To establish approval mechanisms for RPTs in compliance with law.
- To ensure that RPTs are entered into in the ordinary course of business and on an arm's length basis.
- To safeguard the interests of the Shareholders, especially minority Shareholders.

**(3) DEFINITIONS:**

- 3.1 "Act"** means the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force.
- 3.2 "Applicable Law(s)"** means (a) the Act and the Rules made thereunder; (b) SEBI LODR including the Industry Standards prescribed by SEBI; and (c) any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.
- 3.3 "Arm's Length Transaction"** means a transaction between two related parties that is conducted as if they were unrelated.
- 3.4 "Audit Committee or Committee"** means Committee of Board of Directors of the Company constituted under provisions of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.
- 3.5 "Board"** means Board of Directors of the Company.
- 3.6 "Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Companies Act, 2013.
- 3.7 "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.
- 3.8 "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 Rupees One Thousand Crore or 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

In case of 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 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

**3.9 “Material Modification(s)”** means and include any modification to an existing RPTs, in aggregate with a related party, having variance of 25% in value of the transaction already approved by the Audit Committee or Board or Shareholders, as the case may be, or such modification as may be decided by the Audit Committee.

**3.10 “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.

The Board and the Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other Industry Standards, Practices and Guidelines.

**3.11 “Policy”** means Related Party Transaction Policy.

**3.12 “Related Party”** means related party as defined under Section 2(76) of the Companies Act, 2013, which is as follows:

Related Party with reference to a company means-

- (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 or his relative is a member or director ;
- (v) a public Company in which a director or manager and holds 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 on whose advice, directions or instructions a director or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) 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;
  - an Investing Company or the Venturer of the Company.

**Explanation:** For the purpose of this clause, “the Investing Company or the Venturer of a Company” means a body corporate whose investment in the Company would result in the Company becoming an associate Company of the body corporate.
- (ix) such other person as may be prescribed.  
[Rule 3 of the Companies (Specification of Definitions Details) Rule, 2014 – For the purposes of Section 2(76)(ix) of the Act, a Director other than an Independent Director or Key Managerial Personnel of the Holding Company or his relative with reference to a Company, shall be deemed to be a related party].

Related Party as defined under Regulation 2(zb) of SEBI (LODR) Regulations, 2015 which is as follows:

Related Party means a Related Party as defined under Section 2(76) of the Companies Act, 2013 or under the applicable Accounting Standards:

Provided that-

- (a) any person or entity forming a party of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
  - of twenty percent or more; or
  - of ten percent or more, with effect from 1<sup>st</sup> April, 2023;in the listed entity either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act. 2013, at any time, during the immediate preceding financial year;

shall be deemed to be a related party.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s).

**3.13 “Related Party Transaction”** means a transaction involving a transfer of resources, services or obligations between:

- (i) the Company or any of its subsidiaries on one hand and a related party of the listed entity or any of its

subsidiaries on the other hand; or

(ii) the Company or any of its subsidiaries on one hand, and any other person or the Company on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, with effect from April 1, 2023;

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Further, the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - (i) payment of dividend;
  - (ii) subdivision or consolidation of securities;
  - (iii) issuance of securities by way of a rights issue or a bonus issue; and
  - (iv) buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:
- (d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
- (e) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

Further, the related party transaction more specifically shall mean the transactions listed under Section 188 of the Companies Act, 2013 and as defined in Regulation 2(zc) of SEBI (LODR) Regulations, 2015, from time to time.

**3.14 “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) One person is related to the other in such manner as may be prescribed.

Under Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014-

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:

- (i) Father (including step-father)
- (ii) Mother (including step-mother)
- (iii) Son (including step-son)
- (iv) Son's wife
- (v) Daughter
- (vi) Daughter's husband
- (vii) Brother (including step-brother)
- (viii) Sister (including step-sister)

Any term not defined under this Policy shall have the same meaning as provided under the Companies Act, 2013 and the Rules made thereunder and SEBI (LODR) Regulations, 2015.

**3.15 “SEBI LODR”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**3.16 “Senior Management”** shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Wholetime Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as Key Managerial Personnel, other than the Board of Directors, by the Company.

**3.17 “Industry Standards”** shall mean the Industry Standards on “Minimum Information to be provided for review of the Audit Committee and Shareholders for approval of Related Party Transactions as notified by SEBI vide its Circular dated June 26, 2025, as amended from time to time.

**(4) IDENTIFICATION OF RELATED PARTIES:**

- All Directors shall disclose their concern or interest in any Company or Companies or Body Corporate, Firms or other association of individuals which shall include the Shareholder, in such manner in Form MBP-1 and whenever there is any change in the disclosures already made.
- The Key Managerial Personnel (KMPs) of the Company shall disclose to the Company at the time of his / her appointment and relinquishment of office, his / her concern or interest in any Company or Companies or Body Corporate, Firms or other association of individuals which shall include the Shareholder, in such manner in Form MBP-1
- The Company Secretary shall maintain a database of Related Parties, updated periodically and circulate it to relevant business functions.

**(5) IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS:**

- (i) 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.
- (ii) 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.

**(6) MATERIALITY THRESHOLDS**

The Board of the Company has prescribed the below materiality thresholds for RPTs beyond which approval of the Shareholders through a resolution shall be required:

**(a) As per SEBI LODR:**

- (i) Any transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or Rs.1,000 crores, whichever is lower.
- (ii) Notwithstanding the above, 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 5% of the annual consolidated turnover of Company as per the last audited financial statements of the Company.

**(b) As per the Act:**

RPTs falling under Section 188(1) of the Act read with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, as amended from time to time and exceed limits provided under the said rules.

**(7) APPROVAL PROCESS:**

**7.1 Approval of the Audit Committee:**

**(i) Prior approval of the Audit Committee is required for:**

- (a) All related party transactions and subsequent material modifications, if any, shall require prior approval of the Audit Committee, as per the provisions of the Act and the SEBI LODR.

Provided that only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions.

- (b) A related party transaction to which the subsidiary of the Company is a party but the

Company is not a party, shall require prior approval of the Audit Committee of the Company, 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 listed entity;

- (c) With effect from April 1, 2023, a related party transaction to which the subsidiary of the Company is a party but the listed entity is not a party, shall require prior approval of the audit committee of the Company 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.

**(ii) Grant of Omnibus approval for Related Party Transactions by the Audit Committee:**

The Company may obtain omnibus approval from the Audit Committee for RPTs where the Company is a party. Omnibus approval from the Audit Committee can also be granted in case the transactions are entered between subsidiaries and other related parties, where the Company is not a party to the transaction subject to compliance with the conditions stipulated under the Act read with the Rules framed thereunder and the SEBI LODR including the following:

- Audit Committee shall lay down the criteria for granting the 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;
- The omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into; (ii) the indicative base price / current contracted price and the formula for variation in the price, if any; and (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for RPT cannot be foreseen and the aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

- The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company or its subsidiaries pursuant to each of the omnibus approvals given;
- Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

**(iii) Ratification of RPT by the Audit Committee:**

The members of the Audit Committee, who are Independent Directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
- (v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any director, or is authorized by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by the Company.

**(iv) Prior approval of the Audit Committee shall not be required for:**

- (a) A related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of the SEBI LODR are applicable to such

listed subsidiary.

- (b) RPTs of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the Audit Committee of the listed subsidiary is obtained.
  - (c) RPT or subsequent material modifications of RPT (other than those RPT stipulated under Section 188 of the Act) 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.
  - (d) RPT entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
  - (e) RPT in the nature of remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of Promoter or Promoter Group, provided that the same is not material in terms of the provisions of the Regulation 23(1) of the SEBI LODR..
  - (f) Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and Central Government or State Government or any combination thereof on the other hand.
- (v) **Minimum information to be provided to the Audit Committee for the approval (including ratification) of RPTs, as specified under the RPT Industry Standards formulated by SEBI in case if a transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower:**

**Part A Minimum Information of the proposed RPT, applicable to all RPTs:**

- A(1) Basic Details of the Related Party.
- A(2) Relationship and Ownership of the Related Party.
- A(3) Details of previous transactions with the Related Party.
- A(4) Amount of the proposed transaction(s).
- A(5) Basic Details of the proposed transaction.

**Part B Information to be provided only if a specific type of RPT is proposed to be undertaken and is in addition to Part A:**

- B(1) Sale, purchase or supply of goods or services or any other similar business transaction and trade advances.
- B(2) Loans and advances (other than trade advances) or inter-corporate deposits given by the Company or its subsidiary.
- B(3) Investment made by the Company or its subsidiary.
- B(4) Guarantee (including performance guarantee in nature of security / contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the Company or its subsidiary.
- B(5) Borrowings by the Company or its subsidiary.
- B(6) Sale, lease or disposal of assets or subsidiary or of unit, division or undertaking of the Company or disposal of shares of subsidiary or associate.
- B(7) Transactions relating to payment of royalty.

**Part C Information to be provided only if a specific type of RPT proposed to be undertaken is a material RPT and is in addition to Part A and Part B (with respect to such RPT):**

- C(1) Transactions relating to any loans and advances (other than trade advance) or inter-corporate deposits given by the Company or its subsidiary.
- C(2) Investment made by the Company or its subsidiary.
- C(3) Guarantee (including performance guarantee in nature of security / contractual commitment or which could have an impact in monetary terms on the issuer of such

guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the Company or its subsidiary.

- C(4) Borrowings by the Company or its subsidiary.
- C(5) Sale, lease or disposal of assets or subsidiary or of unit, division or undertaking of the Company or disposal of shares of subsidiary or associate.
- C(6) Transactions relating to payment of royalty.

**(vi) Guidelines for placing information to the Audit Committee:**

- (a) The management of the Company while providing the information to the Audit Committee shall:
  - Provide information in the format specified in the RPT Industry Standards. Where a field is not applicable, it shall be indicated as 'NA' and the reason for non-applicability shall be disclosed to the Audit Committee, unless it is self-evident.
  - Provide Certificate from the Chief Executive Officer (CEO) / Managing Director / Wholetime Director / Manager and Chief Financial Officer of the Company confirming that the terms of the RPTs proposed to be entered into are in the interest of the Company.
  - Provide a copy of the valuation or other report of external party, if any.
  - If the Audited Financial Statements of the related party are not available for immediately preceding financial year, it shall provide the financial extracts as relevant to / for the minimum information to be provided under the RPT Industry Standards, duly certified by the related party, as drawn from its books of accounts.
  - When the related party follows a different financial year, such fact shall be disclosed.
  - In case of multiple types of proposed transactions, details to be provided separately for each type of the proposed transaction.
- (b) The Audit Committee, may, at its discretion, comment on information provided by the management. Such comments and the rationale for not approving a RPT shall be recorded in the minutes of the meeting of the Audit Committee.
- (c) The Audit Committee may seek any additional information from the management, as it deems necessary and reasonable, to evaluate the proposed RPT.

**(vii) Manner of assessment of the proposal of RPT by the Audit Committee:**

While assessing a proposal put up before the Audit Committee for approval, the Audit Committee shall review the following documents / seek the following information from the Management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

- Type, nature, material terms and particulars of the proposed transaction;
- Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- Tenure of the proposed transaction (particular tenure shall be specified);
- Value of the proposed transaction;
- The percentage of the Company's annual consolidated turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for an RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
  - (i) details of the source of funds in connection with the proposed transaction;
  - (ii) where any financial indebtedness is incurred to make or give loans, inter- corporate deposits, advances or investments,
    - ☞ nature of indebtedness;
    - ☞ cost of funds; and
    - ☞ tenure;
  - (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and

(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.

- Justification as to why the RPT is in the interest of the Company;
- A copy of the valuation or other external party report, if any such report has been relied upon;
- Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis; and
- Any other relevant information or such information as may be prescribed under SEBI LODR.

The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

In case of transactions, other than transactions referred to in Section 188 of the Act and where the Audit Committee does not approve any transaction, it shall make its recommendation to the Board.

**(viii) Review and Approval of Related Party Transactions by Audit Committee:**

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. Provided that only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions.

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 and in ordinary course of business to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- (b) Terms comparable to market / industry standards;
- (c) Commercial substance of the arrangement;
- (d) Rationale and benefits to the Company;
- (e) Whether there is any potential conflict of interest;
- (f) Reasons for choosing a related party over a third party;
- (g) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- (h) 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
- (i) 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.

**7.2 Approval of the Board of Directors of the Company**

- (i) As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section, which are not in the ordinary course of business or at arm's length basis, shall be placed before the Board for its approval. Such approval shall be granted only by means of a Resolution passed at a Meeting of the Board. The Company may if it considers necessary and shall if the Audit Committee or Board so requires, seek external professional opinion to determine whether an RPT is in the ordinary course of business and/ or at arms' length.
- (ii) In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:
  - Transactions which may be in the ordinary course of business and at arm's length basis, but which, as per the Policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
  - Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer



the same to the Board for approval;

- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
  - Material RPTs and subsequent material modifications to such transactions, which are intended to be placed before the shareholders for approval.
- (iii) Where any director is interested in any contract or arrangement with a related party, such director shall not participate during discussions and vote on the subject matter of the resolution related to such contract or arrangement.

### **7.3 Approval of the Shareholders of the Company**

- (i) All the Material RPTs, any modification to the transaction with Related Parties as per the provisions of the Act, and subsequent material modifications to the transaction with Related Parties as per the provisions of the SEBI LODR, are placed before the Shareholders for approval.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or are not at arm's length basis; and (b) exceed the thresholds laid down in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, shall be placed before the Shareholders for approval.

- (ii) The requirement for seeking Shareholders' approval shall not be applicable for the following cases:

- Transactions between the Company and its wholly-owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the Shareholders at the General Meeting for approval.
- Transactions entered into between the two wholly-owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the Shareholders at the General Meeting for approval.
- Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and Central Government or State Government or any combination thereof on the other hand.
- Transactions in respect of resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.

- (iii) No related party shall vote to approve such resolutions irrespective of whether the entity is a related party to the particular transaction or not.

- (iv) Minimum information to be provided to the Shareholders for approval of material RPTs:

- (1) The explanatory statement contained in the notice to the shareholders for seeking their approval for an RPT shall provide the minimum information so as to enable the shareholders to take a view whether the terms and conditions of the RPT are favourable to the listed entity.
- (2) The notice to the shareholders seeking approval for any material RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:
  - (a) Information as placed before the Audit Committee in the format as specified in the RPT Industry Standards, to the extent applicable.
  - (b) Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT.
  - (c) Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
    - ☞ nature of indebtedness;
    - ☞ cost of funds; and
    - ☞ tenure;
  - (d) A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;

- (e) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- (f) Disclose the fact that the Audit Committee has reviewed the certificates provided by the CEO/ Managing Director/ Whole Time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards.
- (g) Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.
- (h) Provide web-link and QR Code, through which shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.
- (i) The Audit Committee and Board of Directors, while providing information to the shareholders, can approve redaction of commercial secrets and such other information that would affect competitive position of listed entity and affirm that, in its assessment, the redacted disclosures still provides all the necessary information to the public shareholders for informed decision-making.
- (j) Any other information that may be relevant.

**(8) 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 8 shall be without prejudice to any action or penalty that may arise on account of non-compliance as provided under the applicable law.

**(9) DISCLOSURE REQUIREMENT:**

- Details of RPTs shall be disclosed:
  - ☞ In the Board's Report as per Section 134 of the Act).
  - ☞ In Financial Statements as per Ind AS-24.
  - ☞ To Stock Exchanges as per SEBI LODR.
- This Policy shall be disclosed on the Company's website and a web link shall be provided in the Annual Report.
- This Policy and any amendments or replacements thereof will be communicated to all operational employees and other concerned persons of the Company.

**(10) POLICY REVIEW:**

This Policy shall be reviewed by the Audit Committee and the Board of Directors at least once in every three years or earlier, if required by applicable law(s).

**(11) EFFECTIVE DATE:**

This Policy shall be effective from and shall supersede earlier versions of the RPT Policy.