



**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS**

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## 1. Introduction

The Board of Directors (the "Board") of Global Health Limited (the "Company" or "GHL"), has adopted the following policy and procedures (the "Policy") with regard to the Related Party Transactions as defined below. The Audit Committee shall review and may propose amendments to this policy as may be required.

## 2. Applicability

This policy shall be applicable to Global Health Limited (GHL) and its subsidiaries.

However, the provisions given under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and SEBI circulars, as mentioned in this policy shall be applicable only to GHL. This policy has been enacted to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company.

## 3. Objectives

This policy is framed as per the requirement of Regulation 23 of the Listing Regulations to ensure the proper approval and reporting of transactions between the Company and its related parties as determined under Listing Regulations, Companies Act, 2013 and rules prescribed there under ("Act"), and any other laws and regulations as may be applicable to the Company.

The Company is required to disclose in its annual financial statements and Board's Report, certain transactions between the Company and related parties as well as policy relating thereto. This Policy shall be disclosed on the website of the Company and a web link there to shall be provided in the Annual Report.

## 4. Definitions

Definition of some of the key terms used in this policy are given below:

- 'Act' means Companies Act, 2013, and the rules thereunder, as amended from time to time
- 'Arm's Length Transaction' means a transaction between the Company and its Related Party(ies) that is conducted as if they were unrelated and at a fair value, so that there is no conflict of interest.
- 'Associate Company' shall have the meaning as defined in Section 2(6) of the Act.
- 'Audit Committee' or 'Committee' means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of the Listing Regulations.
- 'Director' means a Director on the Board of the Company.
- 'Key Managerial Personnel or KMP' means a key managerial personnel as defined under the Act.



- **'Listing Regulations'** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment(s) or modification(s) or circular(s) or notification(s) issued thereunder.
- **'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 (10%) of the annual consolidated turnover of the Company or Rs. 1000 crore, as per the last audited financial statements of the Company, whichever is lower. For this purpose, any transaction involving payments made to Related Party with respect to brand usage or royalty, either individually or taken together with previous transactions during a financial year, exceeding five percent (5%) of the annual consolidated turnover of the Company as per the Company's last audited financial statement, shall also be considered as Material Related Party Transaction.

**'Material Modification'** shall mean:

- i) For Material Related Party Transaction(s) - variance of 10% of the existing limit as may be previously approved by the Shareholders;
- ii) For Non-Material Related Party Transaction(s) - variance of 20% of the existing limit as may be approved by the Audit Committee/Board, as the case may be.

**'Ordinary Course of Business'** A transaction will be treated as transaction in the 'Ordinary Course of Business' if it is:

- i) Covered in the object clause of the Memorandum of Association of the Company
- ii) Repetitive in nature
- iii) Normal and otherwise routine in the particular business
- iv) Common in a particular industry
- v) In furtherance of business objectives and/ or business purposes of the Company.

The above list is indicative and the Company shall assess each transaction basis its type and nature.

- **'Policy'** means this policy on Materiality of Related Party Transactions.
- **'Related Party'** has the meaning as assigned under the Section 2(76) of the Act and Regulation 2(1) (zb) of the Listing Regulations, as amended from time to time or under the applicable accounting standards. However,
  - (a) any person or entity forming a part of the promoter or promoter group of the Company; or
  - (b) any person or any entity, holding equity shares of (10%) ten per cent or more in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year; shall be deemed to be a related party."



- **'Related Party Transaction'** or **'RPT'** has the meaning prescribed to it under the Regulation 2 (1) (zc) of the Listing Regulations, as amended from time to time and shall also include transactions given in clause (a) to (g) of Section 188(1) of the Act.

Provided that 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 by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

- payment of dividend;
- sub division or consolidation of securities;
- issuance of securities by way of a rights issue or a bonus issue; and
- 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.

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).

- **'Stock Exchanges'** means the stock exchanges where the specified securities of the Company are listed.
- **'Subsidiary Company'** or **'Subsidiary'** means a company as defined under Section 2(87) of the Act.

Words and expressions not defined in this Policy shall have the same meaning as contemplated in the Act read with the rules made thereunder, the Listing Regulations and any other applicable laws or regulations.

## 5. Policy

### 1. Identification of Related Parties

- Each Director and KMP shall disclose to the Company Secretary, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made, about all persons, entities, firms in which he/she is interested, whether directly or indirectly. The Company shall ensure that no transaction is entered into with any Related Party without requisite approvals.
- The Company Secretary shall compile the information received from all concerned and send the information about such Related Parties to the respective functional heads (i.e. accounts, finance, legal, human resources, marketing etc.), business



heads and any other concerned person for their information and any necessary action.

- The concerned functional / business head shall forward to the Company Secretary and Chief Financial Officer, the details of any proposed Related Party Transaction with the draft terms and conditions or other related information and certifying that such transactions are at Arm's Length and in the ordinary course of business. The Company Secretary or the Chief Financial Officer, upon receipt of such information, will furnish the same to Audit Committee for its approval and further action, if any.
- Any proposed modification(s) in the Related Party Transactions already entered into shall be intimated to the Company Secretary and Chief Financial Officer by the functional/ business head, which shall be placed before the Audit Committee, Board of Directors or the Shareholders, as the case may be for its prior approval in accordance with this Policy.

## II. Approval of the Audit Committee

- a) All the Related Party Transactions and subsequent material modifications to the transactions with Related Parties, shall require prior approval of the Audit Committee.
- Only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions. Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction shall abstain from discussion and voting on such Related Party Transaction.

Provided further that a related party transaction to which the subsidiaries of the Company is/are a party/parties, 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 (10%) of the annual standalone turnover, as per the last audited financial statements of the subsidiary(ies).

- b) Prior approval of the Audit Committee shall not be required for:
- a. RPTs, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI LODR are applicable to such listed subsidiary.
  - b. RPT or subsequent material modifications of RPTs (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.
  - c. 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.



- c) The Audit Committee may grant omnibus approval for Related Party Transactions subject to the conditions as laid down under Section 177 of the Act read with rules made thereunder and Regulation 23 of the Listing Regulations. 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, in aggregate, that can be entered into in a year, maximum value per transaction which can be allowed, maximum value of transaction during the year (ii) the indicative base price/current contracted price and the formula for variation in the price if any, (iii) transactions which cannot be subject to the omnibus approval by the Audit Committee and (iv) such other conditions as the Audit Committee may deem fit.
- d) The Audit Committee may also grant omnibus approval for Related Party Transactions of unforeseen nature not exceeding Rs.1,00,00,000 per transaction. The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company 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.
- e) Further, any Related Party Transaction entered into by a Director/ officer of the Company involving an amount not exceeding Rs. 1,00,00,000 which has been undertaken without obtaining the prior approval of the Audit Committee, or which is not ratified within 3 (three) months of entering into such transaction, shall be voidable at the option of the Audit Committee and if the contract or arrangement is with a Related Party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

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.

**III. Approval of Board of Directors**

- 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 not 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.

Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board and if it is not ratified by the Board at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

**IV. Approval of Shareholders**

- a. All Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Shareholders as per the Listing Regulations. 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. Further any contract or arrangement is entered into by a Director or any other employee, without obtaining approval by a resolution in the general meeting under Section 188(1) and if it is not ratified by the Shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the shareholders.
- b. Notice along with Explanatory Statement shall be sent to Shareholders for approval of any RPT, shall also include information as per Listing Regulations, the Act (as amended) or any Circulars issued by the SEBI from time to time.
- c. No Related Party(ies) shall vote to approve the Material Related Party Transaction(s), irrespective of whether the entity is a party to the particular transaction or not, provided



that the requirements under this sub-para shall not apply in respect of a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed at the Stock Exchanges within 1 (one) day of the resolution plan being approved.

- d. The requirement for seeking Shareholders' approval shall not be applicable in the following cases:
- (i) Related Party Transactions entered 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;
  - (ii) Related Party Transactions entered 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; and
  - (iii) A Related Party Transaction to which the Company's Subsidiaries is/are party/parties, but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed Subsidiary.

**V. Evaluation Process of Related Party Transactions**

- a. To approve a Related Party Transaction, the Committee/ Board/ Shareholders, shall be provided all relevant material information of such transaction, including the terms and such other details as required under the Act, the Listing Regulations, any circulars issued by the SEBI from time to time or by the Audit Committee/ Board, as the case may be. While approving a Related Party Transaction, the Audit Committee/ Board will consider the following factors, among others, to the extent relevant:
- whether the terms on which Related Party Transaction is proposed are fair and on arm's length basis to the Company;
  - whether the Related Party Transaction would affect the independence of an Independent Director;
  - whether the Related Party Transaction includes any potential reputational risk that may arise as a result of or in connection with the proposed transaction; and
  - whether the Related Party Transaction would present conflict of interest for any Director or KMP of the Company.
  - whenever there is any doubt with regard to transaction(s) with Related Party(ies) and/or the applicable corporate governance requirements, the Audit Committee/ Board shall be entitled to seek a legal opinion/clarification for the same.
  - Information as may be required under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662, dated November 22, 2021; and
  - Any other relevant information or such information as may be prescribed under Listing Regulations or Act or any Circulars issued by SEBI from time to time.
- b. The Audit Committee shall consider all relevant facts and circumstances regarding a Related Party Transaction placed before it.





- c. In the event any Director, KMP or any other employee becomes aware of any Related Party Transaction(s) that has been omitted to be approved by the Audit Committee/ Board/ shareholders or is in deviation of this Policy, such person shall promptly notify the company secretary of the Company, of such transaction, who shall ensure that such transaction is brought to the notice of the Audit Committee or the Board, as applicable, at the earliest.
- d. The Audit Committee/ Board shall evaluate such transaction(s) and may decide as it considers appropriate, subject to the Act and the SEBI Listing Regulations, necessary action to be taken, including ratification, revision or termination of the Related Party Transaction.

**6. Disclosure**

- a) In terms of the provisions of Section 134(3)(h) of the Act, Related Party Transactions shall be disclosed in the Board's Report in the prescribed form.
- b) A Summarized Statement/Report Back of all transactions with Related Parties entered during the relevant quarter shall be placed before the Audit Committee for their information, review & noting, at each quarterly meetings.
- c) Details of all Material Related Party Transactions shall be disclosed in accordance with Regulation 27 of the SEBI Listing Regulations on quarterly basis. In addition to this, details of all Related Party Transactions on consolidated basis, shall be made simultaneously to the Stock Exchanges from date of publication of the Company's half yearly, standalone and consolidated financial results and publish the same on Company's website.
- d) This Policy shall be disclosed under a separate section on the website of the Company and a web link thereto shall also be provided in the annual report of the Company.
- e) The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Parties.

**7. Authority/ Policy Review**

- a) This Policy has been adopted by the Board of the Company at its meeting held on September 10, 2021 and the same shall be effective with the immediate effect.
- b) This Policy is based on the provisions of the Act and the Listing Regulations, and shall be reviewed by the Board at least once every 3 (three) years.
- c) In case of any changes in the provisions of the Act, the Listing Regulations or any other regulation which are inconsistent with the Policy, such amended provisions would prevail over the Policy.
- d) The company secretary and chief financial officer are jointly authorized to proposed matter to amend this Policy to be made consistent with the prevailing provisions of the Act and the Listing Regulations, which shall be placed before the Audit Committee and Board for their approval.
- e) In case of any interpretation issue on any matter relating to this Policy, the Audit Committee/ Board shall refer the same for legal opinion.



**8. General**

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference shall be made to the Chairman of the Committee. In all such matters, the interpretation and decision of the chairman shall be final. The Company reserves the right to modify, cancel, add, or amend any clause of this Policy as set out above.

**9. Version History**

Version	Date of approval of the Board of Directors	Effective Date
001	10 <sup>th</sup> September, 2021	10 <sup>th</sup> September, 2021
002	22 <sup>nd</sup> December, 2021	22 <sup>nd</sup> December, 2021
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