

Policy on Related Party Transactions



MEDI ASSIST HEALTHCARE SERVICES LIMITED

www.mediassist.in

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1. Introduction

As per regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”) Medi Assist Healthcare Services Limited (the “**Company**”) has formulated a “Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions” (the “**Policy**”) to ensure approval and reporting of transactions between the Company and its Related Parties (*defined hereinafter*).

The Board of Directors (the “**Board**”) of the Company has adopted the Policy to uphold the confidence of the stakeholders and to ensure a transparent mechanism that avoids potential or actual conflict of interest on transactions with related parties.

2. Definitions

“**Act**” means the Companies Act, 2013, Rules framed thereunder and any amendments thereto.

“**Arm’s Length Transaction**” means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Associate Company**” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture Company as per sub-section (6) of Section 2 of the Act.

Explanation: For the purpose of this clause, "Significant Influence" means control of at least 20% (twenty percent) of total voting power, or control of or participation in business decisions under an agreement.

“**Audit Committee or Committee**” means the committee of the Board formed under Section 177 of the Act and regulation 18 of the Listing Regulations.

“**Board of Directors**” or “**Board**”, in relation to a company, means the collective body of the directors of the company;

“**Body Corporate**” or **Corporation** includes a company incorporated outside India as per sub-section (11) of Section 2 of the Act but does not include— i. a co-operative society registered under any law relating to

co-operative societies; and ii. any other body corporate (not being a company as defined in this Act), which the Central Government may, by notification, specify in this behalf;

“Control” shall include the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner as per sub-section (27) of Section 2 of the Act.

“Compliance Officer” means company secretary of the Company.

“Holding Company” in relation to one or more companies means a company of which such companies are subsidiary companies as per sub-section (46) of Section 2 of the Act.

“Key Managerial Personnel” (“KMP”) shall have the same meaning as defined in sub-section (51) of Section 2 of the Act. All transactions with Directors and KMP’s are to be approved by the audit committee and the Board.

“Material Related Party Transaction” means a transaction with a Related Party where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company, whichever is lower as defined under regulation 23 of the Listing Regulations and the contracts or arrangements given under Companies Act, 2013.

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 Five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Material Modification”: Material Modification in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, approved by the Audit Committee or the Board of Directors or the Shareholders, the financial effect of which is an increase in the per annum value of the relevant related party transaction / contract /

arrangement by 10% between the holding company and its subsidiaries or vice a versa and 5% in all other cases.

“Materiality Threshold” means limits for Related Party Transactions beyond which the Shareholders' approval will be required as specified in Act and rules thereof and amendments thereto.

“Related Party” means a related party as defined under Section 2(76) of the Companies Act, 2013 and applicable accounting standards and Regulation 2(zb) of the Listing Regulations

Provided that:

- 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:
 - i. of twenty per cent or more; or
 - ii. of ten per cent or more with effect from June 23, 2023 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 Transactions” means:

- i. a transaction between the Company and a Related Party which is of the nature specified in sub-clause (a) to (g) of Section 188(1) of the Act; and as defined under Regulation 2(1) (zc) of the SEBI Listing Regulations, stated herein:
- ii. means a transaction involving a transfer of resources, services or obligations between:
 - 1) The Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
 - 2) The Company or any of its subsidiaries on one hand, and any other person or entity 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 June 23, 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:

Following transactions shall not be Related Party Transactions:

- 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
- a. payment of dividend
 - b. subdivision or consolidation of securities
 - c. issuance of securities by way of a rights issue or a bonus issue; and
 - d. buy-back of securities.
- C. retail purchases from the Company 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

“Relative” means any person as defined under Section 2 (77) of the Act and Regulation 2(zd) of the Listing Regulations.

“Shareholders” means the shareholder of Medi Assist Healthcare Services Limited.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations, or any other applicable law or regulation.

3. Purpose

The purpose of the policy is to:

- ✓ Regulate transactions between the Company vis-à-vis its related parties with a view to ensure that such transactions are executed on an arm’s length basis and in a transparent and fair manner as per the Act and the Listing Regulations as amended from time to time.
- ✓ Seek necessary approvals of the Audit Committee/Board/Shareholders, as may be necessary, after providing necessary information to them in the prescribed manner.
- ✓ Outline the procedures for identification, review, disclosure, and reporting of such transactions.

4. Policy

All Related Party Transactions irrespective of its materiality shall require prior approval of the Audit Committee as provided by the Act, the Secretarial Standards and the Listing Regulations.

5. Omnibus Approval by the Audit Committee

- ✓ As per the terms of reference approved by the Board, the Audit Committee may grant omnibus approval for Related Party Transactions proposed by the Board.
- ✓ The Audit Committee shall consider the following factors while specifying the criteria for granting omnibus approval:
 - Nature of relationship with the related party;
 - Nature, material terms and conditions, monetary values and particulars of the contract or arrangement;
 - Method and manner of determining the pricing and other commercial terms;
 - Whether the transaction is at arm's length and in the ordinary course of business;
 - Any other information relevant or important to take a decision on the proposed transaction
- i. Repetitiveness/ frequency of the transaction;
- ii. Justification for the need of omnibus approval.
- iii. 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 transaction that can 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;
 - iv. Limit on the omnibus approval: transaction value and overall limit.
- ✓ Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- ✓ 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 approvals 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:

- ✓ Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking or part thereof of the Company.

6. Materiality Thresholds

Regulation 23 of the Listing Regulations requires the Company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required by way of a resolution.

The Company has fixed its materiality thresholds at the level prescribed under Regulation 23(1) and 23(1A) of the Listing Regulations as under:

- ✓ In case of Transaction involving payments made to a Related Party with respect to brand usage or royalty entered into individually or taken together with previous transactions during a financial year, exceeds 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- ✓ In case of any other Transaction, if the transaction / transactions to be entered into with a Related Party individually or taken together with previous transactions during a financial year, rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company, whichever is lower.

7. Identification of Related Party Transactions:

In order to determine potential related party transactions, the Company shall at the beginning of a financial year, obtain from its subsidiaries:

- a) List of its Related Parties.
- b) List of transaction(s) proposed to be entered into by the subsidiary of the Company with related parties of the Company during the financial year. The Company shall share with its subsidiaries, list of its related parties to enable its subsidiary for determination of the same.

The subsidiary(ies) shall be required to provide updated lists, as and when there is a change in aforementioned lists.

Both, the Company and the subsidiary of the Company shall ensure that due approvals of the Audit Committee/Shareholders of the Company (refer Section on 'Approval of RPTs' given ahead) are in place before undertaking transactions with related parties of either of the companies.

Additionally, both the Company and the Subsidiary shall also ensure that due approvals of the Audit Committee/ Shareholders of the Company are in place before undertaking transactions with any person/entity, the purpose and effect of which is to benefit a related party of either of the companies.

8. Transactions requiring approval of Audit Committee:

- i. All Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee and only those members of the Audit Committee who are Independent Directors shall approve the Related Party Transactions in compliance with provisions of regulation 23 and sub-regulation (2) of regulation 15 of the Listing Regulations.
- ii. Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary, subject to the conditions specified under regulation 23 (3) of the Listing Regulations.
- iii. 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:
 - (a) 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;
 - (b) the transaction is not material in terms of the provisions of this regulation
 - (c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
 - (d) the details of ratification shall be disclosed along with the disclosures of related party Transactions to be submitted with the stock exchanges;
 - (e) 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 authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it."

9. Approval of the Board of Directors

The Board shall consider and approve the RPT as required to be approved under the Act or rules made thereunder and/or SEBI Listing Regulations and/or transactions referred/recommended to it by the Audit Committee.

Notwithstanding anything contained under the Act or under the SEBI Listing Regulations, all related party transactions shall require the approval of the Board.

10. Approval of shareholders of the Company

All material related party transactions and subsequent material modifications as defined by the audit committee under this Policy as per the regulations shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the Company is a related party to the particular transaction or not.

Related Party Transactions exceeding the limits prescribed under the Act and not in the ordinary course of business and/or arm's length basis, shall require prior approval of the Board and shareholders as per the provisions of the Section 188 of the Act, respectively.

Once the contracts/arrangements are approved by the Audit Committee, transactions arising out of the same will be monitored by Chief Financial Officer continuously.

11. Applicability and Amendment

The Policy shall be reviewed by the Board at least once every three years and updated accordingly. Any changes to the policy on account of regulatory requirements will be reviewed and approved by the Audit Committee or the Board subject to the approval of Audit Committee. Audit Committee/Board will give suitable directions/guidelines to implement the same.

In the event, any provision contained in this Policy is inconsistent with the provision contained in the Regulations, the Companies Act, 2013 or Accounting Standards, etc. or any amendments thereto, ("**Regulatory Acts**"), the provisions contained in the Regulatory Acts will prevail.

12. Disclosure and reporting

- ✓ Pursuant to the provisions of Section 189 of the Act, the Company shall maintain the Register of contracts or arrangements in which directors are interested.
- ✓ Appropriate disclosures as required under the Act and the Regulations will be made in the Annual Return, Board's Report and to the Stock Exchanges. The Policy shall also be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

- ✓ The Company shall submit to the stock exchanges disclosures of related party transactions in the manner and format as specified from time to time, and publish the same on its website, in accordance with Regulation 23 (9) of the Listing Regulations.

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