



## **YATHARTH HOSPITAL & TRAUMA CARE SERVICES LIMITED**

### **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RALATED PARTY TRANSACTIONS**

#### **1. PREAMBLE**

The Board of Directors (the “Board”) of Yatharth Hospital & Trauma Care Services Limited (the “Company”) has adopted this Policy upon recommendation of the Audit Committee and it includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

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. It shall be effective from the date of listing of the securities of the Company on Stock Exchanges.

#### **2. OBJECTIVE**

- i. This Policy is intended as follows:
  - a) To ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.
  - b) To ensure high standards of Corporate Governance while dealing with related parties.
- ii. The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

#### **3. DEFINITIONS**

- i. “Act” means the Companies Act, 2013 and the Rules framed thereunder.



- ii. **“Audit Committee” or “Committee”** means the Committee of the Board constituted from time to time under the provisions of Regulation 18 of the Listing Regulations and Section 177 of the Act.
- iii. **“Arm’s Length”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest and such price charged for the transactions to a Related Party has in no case been influenced by the relationship and meets the criteria prescribed in Transfer Pricing Guidelines prescribed under the Income- tax Act, 1961.
- iv. **“Board”** means the Board of Directors of the Company as defined under the Act.
- v. **“Key Managerial Personnel”** means Key Managerial Personnel as defined under Section 2(51) of the Act.
- vi. **“Material Modifications”** means any modification made in the value of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 25% or more by which the transaction ceases to be in ordinary course and/or on arm’s length basis or such other parameter as may be determined by the Audit Committee from time to time.
- vii. **“Material Related Party Transaction”** means a Related Party Transaction which 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 listed entity, whichever is lower or such limits as may be prescribed either in the Act or the Listing Regulations, whichever is stricter, from time to time.

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 listed entity as per the last audited financial statements of the listed entity.

- viii. **“Related Party”** with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of



the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares of ten per cent or more 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 recognised stock exchange(s);

**As per Rule 3 of Companies (Specification of Definitions Details) Rules, 2014-** A Director (other than Independent Director) or Key Managerial Personnel of the holding company or his relative with reference to a Company, shall be deemed to be related party.

- ix. **“Related Party Transaction”** with reference to a Company, shall have the same meaning as defined under clause (a) to (g) of sub-section (1) of section 188 of the Companies Act, 2013 and the rule thereto and as defined in Regulation 2 (1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including modification or amendments made thereto.
- x. **“Relative”** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.
- xi. **“Transactions”** with a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations including amendments thereof, Indian Accounting Standards (IND AS); and or any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.



#### **4. POLICY**

- i. The Audit Committee shall review and approve all Related Party Transactions based on this Policy.
- ii. All proposed Related Party Transactions must be reported to the Audit Committee for its prior approval in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre –approval/ omnibus approval, details whereof are given in a separate section of this Policy.
- iii. In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

#### **iv. IDENTIFICATION OF RELATED PARTIES**

- a) The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015.
- b) Each director and Key Managerial Personnels has the responsibility of providing notice to the Board or Audit Committee of any potential Related Party Transaction involving such Director or KMP or his / her Relative. He must also share any additional information about the transaction that the Board/Audit Committee may reasonably require. It shall be the duty of the Board or the Audit Committee to determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Company insists that such notice of any potential Related Party Transaction shall be issued within 7 days of such Director/ KMP receiving the knowledge of such Transaction. This will ensure that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

#### **v. IDENTIFICATION OF RELATED PARTY TRANSACTIONS:**

- a) Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format as per Annexure 1 to the Company Secretary on an annual basis.



- b) Every Director and Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

**vi. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION**

All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee of the listed entity whether at a meeting or by resolution by circulation or through electronic mode.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. A member of the Committee who (if) has a potential interest in any Related Party Transaction will abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such transaction is considered.

Provided further that a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity 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;

**CONSIDERATION BY THE COMMITTEE IN APPROVING THE PROPOSED TRANSACTIONS**

- a) While considering any transaction, the Committee shall take into account all relevant facts and circumstances 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.

Prior to the approval, the Committee shall, *inter-alia*, consider the following factors to the extent relevant to the transaction:

- 1) 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;



- 2) The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
  - 3) Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction; and
  - 4) Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.
- b) While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee shall take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve/sustain market share, changing market dynamics, local competitive scenario, economic/regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.

#### **APPROVAL BY CIRCULAR RESOLUTION OF THE COMMITTEE**

In the event the Company Management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction which are on arm's length basis and in the ordinary course of business may be approved by the 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 Committee at its next scheduled meeting.



### **APPROVAL BY THE BOARD**

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 Board shall consider and approve the Related Party transaction at a meeting and 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.

### **OMNIBUS APPROVAL BY THE COMMITTEE**

Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary subject to the following conditions, namely-

- a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
- c) the omnibus approval shall specify:
  - the name(s) of the related party
  - nature of transaction
  - period of transaction
  - maximum amount of transactions that shall be entered into
  - the indicative base price / current contracted price and the formula for variation in the price if any; and
  - such other conditions as the audit committee may deem fit.

the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity or its subsidiary 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.



## **APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS**

All material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2) shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Provided further that the requirements specified under this sub-regulation shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved;

## **TRANSACTIONS WHICH DO NOT REQUIRE APPROVAL**

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee:

- (a) Any transaction involving the providing of compensation to a director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- (b) 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.
- (c) Any transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.



- (d) Any transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (e) Any 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 the Central Government or any State Government or any combination thereof on the other hand.

### **TRANSACTIONS NOT IN ORDINARY COURSE OF BUSINESS OR NOT AT ARM'S LENGTH**

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length basis, the Board will inter alia consider factors such as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction and any other information the Board may deem important/relevant for taking decision on a proposed transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length basis and exceeds certain thresholds prescribed under the Act, then such Related Party Transaction and any subsequent Material modification thereto, shall require shareholders' approval by a resolution. In such case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

### **RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED**

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders as may be required



in accordance with this Policy for review and ratification.

The Committee or the Board or the Shareholders, as the case may be, shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee may deem appropriate under the circumstances.

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 authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

## **5. DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS**

Details of all Related Party Transactions on a consolidated basis shall be submitted to the Stock Exchanges and disseminated on the website of the Company, on a half yearly basis, along with the half yearly standalone and consolidated financial statements.

The Company shall disclose this Policy on its website and provide weblink in the Annual Report. In addition to the disclosures required under Accounting Standard, Related Party Transactions that are not at arm's length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.



The yearly threshold limits for the Related Party Transactions as approved by the Audit Committee & Board of the Company shall be considered and read to be a part of this Policy.

Provided further that the remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under this sub-regulation provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.

## **6. LIMITATION**

In the event of any conflict between the provisions of this Policy and Listing Regulations /Companies Act, 2013 or any other statutory enactments shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this policy.

## **7. DISSEMINATION OF POLICY**

This Policy or the important provisions of this policy shall be disseminated to all concerned departments/ persons of the Company and shall be hosted on the website of the Company and web link thereto shall be provided in the annual report of the Company.

## **8. REVIEW OF THE POLICY**

The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy are subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

The Board of Directors of the Company shall review and update the Policy at least once in every three years or as and when required.

Review Date: 26.05.2025

\*\*\*



## ANNEXURE 1

### NOTICE OF INTEREST BY DIRECTOR / KEY MANAGERIAL PERSONNEL

To,  
The Company Secretary/Compliance Officer  
Yatharth Hospital & Trauma Care Services Limited  
Address

Dear Sir,

A. I, ....., son/daughter/spouse of ....., resident of .....,  
,  
holding ..... Shares (equity or preference) of Re. 10/- each ( .....perce  
nt  
of the paid-up capital) in the Company in my name, being a ..... in the  
Company, hereby give notice that I am interested directly/through my Relatives  
(Schedule) in the following company or companies, body corporate, firms or other  
association of individuals:

<b>Sr. No.</b>	<b>Name of the Companies/Bodies Corporate/Firms/ Association of Individuals</b>	<b>Nature of Interest or concern / Change in Interest or Concern</b>	<b>Shareholding (No. &amp; %)</b>	<b>Date on which Interest or Concern arose/changed</b>



**B. List of relatives**

<b>Relationship</b>	<b>Full Name</b>	<b>Shareholding in the Company</b>
1. Spouse		
2. Father (including Step-Father)		
3. Son (including Step-son)		
4. Daughter		
5. Daughter's Husband		
6. Brother (Including Step-Brother)		
7. Sister (Including Step-Sister)		
8. Mother (including Step-Mother)		
9. Son's Wife		
10. Members of HUF		

**C. A firm, in which a you or your relative is a partner;**

<b>Sr. no.</b>	<b>Name of the firm</b>	<b>Name of the relative</b>	<b>Relationship with the relative</b>	<b>% of shareholding in the firm held by relative</b>



**D. A private company in which you or your relative is a member or director;**

<b>Sr. no.</b>	<b>Name of the private company</b>	<b>Membership or directorship held by</b>	<b>% of shareholding in the private company</b>

**E. A public company in which you are a director and hold along with your relatives, more than two per cent of its paid-up share capital**

<b>Sr. No.</b>	<b>Name of the public company</b>	<b>% of shareholding in the public company</b>

**F. The bodies corporates whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with your advice, directions or instructions:**

<b>Sr. No.</b>	<b>Name of the Body Corporate</b>



**G. Any person on whose advice, directions or instructions you are accustomed to act:**

Sr. No.	Name of the person

Signature: \_\_\_\_\_

Name :

Designation:

Place:

Date: