



**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. (Applicable w.e.f. April 1, 2022). 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.
- **'Policy'** means this policy on Materiality of Related Party Transactions.
- **'Related Party'** has the meaning as assigned to it under the Act and Regulation 2(1) (zb) of the Listing Regulations, as amended from time to time. 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:
 - (i) of twenty per cent or more; or (Applicable w.e.f. April 1, 2022)
 - (ii) of ten per cent or more, with effect from April 1, 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 Transaction' or 'RPT'** has the meaning prescribed to it under the Regulation 2 (1) (zc) of Listing Regulations, as amended from time to

time and shall 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:

- i. payment of dividend;
- ii. sub division 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.

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).
(Above definition of RPT will be applicable w.e.f. April 1, 2022)

- **'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

I. 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 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 (Applicable w.e.f. April 1, 2022)* shall require prior approval of the Audit Committee.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. *(Applicable w.e.f. January 1, 2022)*

Provided further that:

(i) the Audit Committee of the Company shall define "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;

(ii) 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 of the annual consolidated turnover, as per the last audited financial statements of the Company;



(iii) with effect from April 1, 2023, 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 of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

(iv) Prior approval of the Audit Committee of the Company shall not be required for related party transaction to which the Company's Subsidiaries is/are a party, but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to the Company.

Explanation: For related party transactions of unlisted subsidiaries of the Company as referred to in (iv) above, the prior approval of the Audit Committee of the Company shall suffice."

- b) Where the Audit Committee does not approve the Related Party Transactions, other than prescribed in Clauses (a) to (g) of Section 188(1) of the Act, it shall make its recommendations to the Board 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 and Regulation 23 of the Listing Regulations. Additionally, subject to the Act, the Audit Committee may also grant omnibus approval for Related Party Transactions of unforeseen nature not exceeding Rs.1,00,00,000 per transaction.
- d) 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 authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.
- e) Pursuant to Regulation 23(1) of the Listing Regulations, the threshold limits for Related Party Transactions (other than wholly-owned Subsidiaries) for granting omnibus approval by the Audit Committee for each financial year is as under:

Sl. No.	Criteria	Amount
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1.	Maximum value of Related Party Transaction (other than wholly-owned subsidiaries), in aggregate, which can be allowed under the omnibus approval route in a year	Upto 10 % of annual consolidated turnover of the Company as per the last audited financial statement
2.	Maximum value per Related Party Transaction (other than wholly-owned subsidiaries) which can be allowed	Upto 1 % of annual consolidated turnover of the Company as per the last audited financial statement

For the sake of clarity, the Audit Committee may grant omnibus approval for Related Party Transactions with wholly owned subsidiaries exceeding the threshold limits prescribed above, subject to compliance with the provisions of the Act and other applicable law.

- f. 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.

III. Approval of Board of Directors

- a. The following Related Party Transactions which are not in the ordinary course of business or are in the ordinary course of business but are not on Arm's Length basis shall require prior approval of the Board:
- Sale, purchase or supply of any goods or materials; or
 - Selling or otherwise disposing of, or buying, property of any kind; or
 - Leasing of property of any kind; or
 - Availing or rendering of any services; or
 - Appointment of any agent for purchase or sale of goods, materials, services or property; or
 - Such Related Party's appointment to any office or place of profit in the Company, its Subsidiary or Associate Company; or
 - Underwriting the subscription of any securities or derivatives thereof, of the Company.
- b. All the Material Related Party Transactions shall be considered and approved by the Board before the same are considered by the shareholders for their approval except for those transactions which are 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. Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the meeting during discussions and voting on the subject matter of the resolution relating to such Related Party Transaction.



- d. 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. Related Party Transactions set out above which require Board approval and exceed the limits as prescribed under Section 188 of the Act, shall be placed for shareholders' approval by way of a resolution, except for transactions which are between the Company and its wholly-owned subsidiary whose accounts are consolidated with the Company and for *transactions 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. (Applicable w.e.f. April 1, 2022)*. Notice along with explanatory statement sent to shareholders for approval of any RPT, shall also include additional information as per Listing Regulations (as amended), and any circulars issued by the SEBI from time to time.

Subject to the provisions of Regulation 23(4), all Material Related Party Transactions and *subsequent material modifications (Applicable w.e.f. April 1, 2022)* shall be approved by the *prior (Applicable w.e.f. April 1, 2022)* shareholders' approval by way of a resolution.

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.

Provided that prior approval of the shareholders of the Company shall not be required for 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 the Company.

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.
 - Value, Particular tenure of the Related Party Transaction and Justification as whether the Transaction is in the interest of the Company or not. (*Applicable w.e.f. April 1, 2022*)
- 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) Details of all Material Related Party Transactions shall be disclosed in accordance with Regulation 27 of the SEBI Listing Regulations, and any circulars issued by the SEBI from time to time.



- c) *Details of all Related Party Transactions on a consolidated basis, shall be disclosed to the Stock Exchanges, within 15 (fifteen) days from the date of publication of the Company's half yearly, standalone and consolidated financial results in the format specified in the relevant accounting standards and publish the same on its website. (Applicable w.e.f. April 1, 2022)*

Provided that the disclosure shall be made simultaneously to the Stock Exchanges from date of publication of the Company's half yearly, standalone and consolidated financial results with effect from April 1, 2023.

- 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 Party.

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.

