

**POLICY ON RELATED  
PARTY TRANSACTIONS**

**VEERHEALTH CARE LIMITED**

## **1. OBJECTIVE OF THE POLICY**

The Board of Directors ("the Board") of Veerhealth Care Limited ("VHCL" or "the Company"), after considering the recommendation of the Audit Committee, has adopted this policy and associated procedures with regard to Related Party Transactions, in line with the requirements of the Companies Act, 2013 and the Equity Listing Agreement.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

## **2. APPLICABILITY**

All terms used in this policy document but not defined herein shall have the meaning prescribed to such term in the Companies Act, 2013 and the Rules framed there under and the Equity Listing Agreement, as amended from time to time.

This policy shall be applicable to all Related Party Transactions entered into on or after 1st October, 2014. The Audit Committee of the Company shall review all existing related party transactions as a matter of good governance and agree on corrective steps, if required, to ensure that the transactions entered are in the ordinary course of business and are on an arm's length basis.

## **3. DEALING WITH RELATED PARTY TRANSACTIONS**

Related Party Transactions are prohibited, unless approved or ratified by the Audit Committee and / or the Board of Directors of the Company in accordance with this policy. In dealing with Related Party Transactions, the Company will follow the following approach:

### **I. Identification of Related Party Transactions**

All Related Party Transactions must be brought to the notice of the Audit Committee of the Company.

Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee of the Company through Company Secretary.

All Directors, Members of the Management Committee and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest in other companies, firms or concerns at the beginning of every financial year and any change in such interest during the year. In addition, all Directors, Members of the Management Committee and KMPs are responsible for providing notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Audit Committee may request. The Board shall record the

disclosure of interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis.

Such notice of any potential Related Party Transaction should be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and to refer it to the Audit Committee.

## II. Review and Approval of Related Party Transactions

Related Party Transactions are prohibited, unless approved or ratified by the Audit Committee of the Company in accordance with this policy.

Unless otherwise stated in this policy, all Related Party Transactions require prior approval of the Audit Committee of the Company. All Related Party Transactions must be reported to the Company Secretary who shall submit the same for approval or ratification by the Audit Committee in accordance with this policy.

The Audit Committee shall grant omnibus approval to Related Party Transactions that are:

- a. repetitive in nature; and/or
- b. entered in the ordinary course of business and are at Arm's Length. The expression Arm's Length has the meaning prescribed to it under Section 188 of the Companies Act, 2013.

Such omnibus approval will be granted to the transactions which, in addition to meeting the above criteria, also satisfy the following considerations:

- a) The transaction in question is necessary to be executed as it is in the business interest of the Company;
- b) The requisite information is presented to the Audit Committee's satisfaction, to confirm that the transaction is at Arm's Length and in ordinary course of business;
- c) Such 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 value and the formula for variation in the value, if any and (iii) such other conditions as the Audit Committee may deem fit;

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The Audit Committee shall on quarterly basis review the details of the Related Party Transactions entered into by the Company pursuant to the omnibus approval.

All Related Party Transactions that are not in the ordinary course of business or not on arm's length basis shall be referred to the Board of Directors for their approval. Any member of the Board who has a potential interest in such Related Party Transaction will recuse him or herself and abstain from voting on the approval of such Related Party Transaction. Such member may, however, participate in discussions with respect to other Related Party Transactions placed for approval of the Board.

Any such Related Party Transactions shall also be placed for prior approval of shareholders if it exceeds the thresholds as prescribed under the Companies Act, 2013 and rules framed there under and the Listing Agreement.

All entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

#### **4. MATERIAL RELATED PARTY TRANSACTION**

All Material Related Party Transactions shall be placed for prior approval of shareholders through Special Resolution. However, the Material Related Party Transactions entered between VHCL and its wholly owned subsidiaries shall not require prior approval of shareholders.

A transaction with a Related Party shall be considered Material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

#### **5. AMENDMENTS TO THE POLICY**

The Audit Committee of the Company shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.