



POLICY ON RELATED PARTY TRANSACTIONS

1. OBJECTIVE:

- 1.1.** Company is committed to upholding high standards of corporate governance and recognizes that any transactions with parties which are related to the Board members or Senior Management can present a risk of actual or apparent conflicts of interest.
- 1.2.** Taking this into consideration, objective of this Policy is to lay down requisite process framework and approval mechanism for dealing with material related party transactions.
- 1.3.** 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 (RPTs) in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.
- 1.4.** This Policy aims to ensure compliance of applicable provisions of the Companies Act, 2013 & Rules made there under ("the Act"), Indian Accounting Standard (IND AS) 24 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended or re-enacted from time to time ("Listing Regulations") and which relate to the identification of the Related Parties and governance & approval of the Related Party Transactions, wherever required.

2. DEFINITIONS:

For this Policy, following terms shall have the meanings ascribed to them as under:

2.1. "Act" means Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

2.2. "Arm's length basis" means

- (a) a transaction between the Company and the Related Party that is conducted as if they were unrelated, so that there is no conflict of interest; and
- (b) Such price charged for the transactions to a Related Party has in no case been influenced by the relationship and meets the criteria prescribed inter-alia under Transfer Pricing Guidelines prescribed under the Income- tax Act, 1961.

- 2.3. “Associate Company”**, means an associate company as defined under the Act.
- 2.4. “Board”** means Board of Directors of the Company.
- 2.5. “Company”** means Themis Medicare Limited.
- 2.6. “Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and takeovers) Regulations, 2011.
- 2.7. “Key Managerial Personnel” (KMP)** means the Key Managerial Personnel of the Company in terms of the Act.

Key Managerial Personnel shall mean:

- i. the Chief Executive Officer or the Managing director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-Time Director;
- iv. the Chief Financial Officer;
- v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed.

2.8. Ordinary Course of Business:

Ordinary Course of Business shall mean the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

- 2.9. Promoter and Promoter Group** shall have the same meaning as assigned to them respectively in clauses 13[(oo)] and 14[(pp)] of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

2.10. Related Party

Related Party shall mean:

- I. Related party as defined under Section 2(76) of the Act; read with applicable rules made thereunder, as amended from time to time;
- II. Related Party as defined under the applicable Indian Accounting Standards;
- III. any person or entity forming a part of the Promoter or Promoter Group of the Company; any person or entity, holding equity shares of 10% 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 immediately preceding financial year.

2.11. Related Party Transaction(s):

- (i). Related Party Transaction” shall mean a transaction involving transfer of resources, services or obligations between:
 - a) 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
 - b) 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:regardless of whether a price is charged and includes:
 - i. sale, purchase or supply of any goods or materials;
 - ii. selling or otherwise disposing of, or buying, property of any kind;
 - iii. leasing of property of any kind;
 - iv. availing or rendering of any services;
 - v. appointment of any agent for purchase or sale of goods, materials, services or property;
 - vi. such related party’s appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
 - vii. underwriting the subscription of any securities or derivatives thereof, of the Company

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 which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision 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) 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.

For the purpose of the above, a Related Party Transaction shall include a single transaction or a group of transactions in a contract, with a Related Party.

2.12. Relative: with reference to any person means anyone who is related to another & defined under Section 2(77) of the Act; read with applicable rules made thereunder, as amended from time to time which includes:

- i. Members of Hindu Undivided Family
- ii. Husband and wife
- iii. Father, including step father

- iv. Mother, including step mother
- v. Son, including step son
- vi. Son's Wife
- vii. Daughter
- viii. Daughter's husband
- ix. Brother, including step brother
- x. Sister, including step sister

2.13. Listing Regulations” means the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and agreement signed by the Company and the Stock Exchanges in pursuance thereof.

2.14. Material modifications to Related Party Transactions shall mean modification to the related party transaction which substantially changes the nature / tenure of Transaction as was considered by the Audit committee while approving the transaction in the first instance.

2.15. Identification of Related Parties:

The Company may seek requisite disclosures and information, as may be deemed necessary, to identify a Related Party.



2.16. Material Related Party Transaction:

“Material Related Party Transaction” shall mean a transaction to be entered into with and between Related Parties, individually or taken together with previous transactions during a financial year, exceeding the threshold of:

- 5% of the annual consolidated turnover of the Company as per its last audited financial statements, or such sum or limit as may be prescribed under the Listing Regulations, in case of transactions involving payments made with respect to brand usage or royalty, or
- Rs. 1000 Crore or 10% of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower, or such sum or limit as may be prescribed under the Listing Regulations, in case of any other transaction(s).

2.17. “Office or place of profit” means office or place of profit as defined under the Act.

The term Related Party, Related Party Transactions and Relative will carry the meanings as defined under the Companies Act, 2013 read with Rules made thereunder, Listing Regulations and the Accounting Standards.

2.18. “Subsidiary” means subsidiary as defined under the Act.

3. POLICY:

In order to ensure transparency and procedural fairness of RPTs, as also to ensure compliance with provisions of the Act and Listing Regulations, Board of Directors (the “Board”) of the Company lays down this Policy on Related Party Transactions (the “Policy”).

4. PROCEDURE OF DEALING WITH RPTs

Every Director shall at the beginning of the financial year provide information by way of written notice to the Company regarding his/her concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per this policy. Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party according to this policy

or that could reasonably be expected to give rise to a conflict of interest.

5. Review and Approval of Related Party Transactions

5.1 Approval by the Audit Committee:

The Company shall not enter into any Transactions with any Related Party and material modifications to such transactions without prior approval of the Audit Committee of the Company, by way of a meeting / circular resolution. Only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

However, the Audit Committee may grant omnibus approval for Related Party Transactions, which are repetitive in nature, proposed to be entered into by the Company which shall be valid for a financial year/part thereof and fresh approval shall be obtained from the Audit Committee every financial year.

Further, where the need for Related Party Transaction cannot be foreseen and required details are not available, the Audit Committee may grant omnibus approval for such transactions, subject to their value not exceeding Rs. 1.00 Crore per transaction.

The Company may appoint an expert preferably a Chartered Accountant conversant with and having relevant experience in the area of Transfer Pricing Regulations as a Related Party Transaction Auditor (RPT Auditor) who shall peruse and review all the transactions and provide a report whether the Related Party Transactions are in the ordinary course of business and on an arms' length basis.

Wherever necessary, the Audit Committee may, after examining all the documents, if any, grant omnibus approval for Related Party Transactions, proposed to be entered into by the Company or its subsidiary, subject to the following conditions:

- i. The following criteria for granting omnibus approvals are fulfilled:
 - The transactions qualify to be in the “Ordinary Course of business” as defined above and satisfy “Arm’s length price” condition.
 - The transactions are repetitive in nature.
- ii. The Audit Committee has satisfied itself the need for such omnibus approval and that such approval is in the interest of the Company.
- iii. Where the need for Related Party Transaction cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs. 1 crore per transaction.

- iv. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval granted.
- v. The omnibus approval granted shall be valid for a period not exceeding one financial year and shall require fresh approval every year.

The Audit Committee shall consider the information/documents pertaining to the Related Party Transactions placed before it and either approve or reject the same on merit.

The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.

In addition to the above, prior approval of Audit Committee of the Company shall be required for a Related Party Transaction where the subsidiary(ies) of a Company is a party but the Company is not a party and the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual standalone turnover as per the last audited financial statements of the Company as per the last audited financial statements of the Subsidiary.

5.2 Approval of the Board:

5.2.1 Subject to the applicable provisions and save as otherwise provided, the following Related Party Transactions shall, after the approval of the Audit Committee, also be placed before the Board of Directors for approval:

- a. Transactions not in arm's length.
- b. Transactions not in ordinary course of business.
- c. Material Related Party transactions as specified in Clause 3.

5.2.2 The Board of Directors shall consider the information/documents pertaining to the Related Party Transactions placed before it and either approve or reject the same on merit.

5.2.3 If any director is interested in any Related Party Transaction with the Related Party, he/she shall not be present at the Board / Committee Meeting, neither during the discussion on the subject matter, nor at the time of voting on the resolution relating to such Related Party Transaction.



5.3 Approval by the Shareholders:

5.3.1 The following Related Party Transactions, after the approval of Board, shall also be placed before the shareholders for their prior approval:

- a. Subject to applicable provisions and save as otherwise provided in the applicable provisions and regulations, all Material Related Party transactions as specified in Clause 3 and subsequent material modifications thereto.
- b. All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act, thereby requiring the approval of shareholders.
- c. Clause (a) and (b) shall not be applicable in case of 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.

5.3.2 The Board of Directors shall, decide whether the approval of the Related Party Transactions by the shareholders shall be sought at the General Meeting or through Postal Ballot in accordance with the Act and Rules thereunder.

5.3.3 In case of all the material Related Party Transactions requiring 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.

5.4 Ratification of Related Party Transactions in exceptional cases:

5.4.1 Any Related Party Transaction which is not under omnibus approval, entered into by the Company with a Related Party, without obtaining the consent of Audit Committee or the Board of Directors or approval of shareholders in General Meeting, may in genuine cases be ratified by the Audit Committee or the Board of Directors or the shareholders at a General Meeting, as permitted under the applicable laws, provided that such Director or any other employee who had authorised such transactions agrees to indemnify the Company against loss incurred by the Company, if any.

5.4.2 Approval for such exceptional Related Party Transactions shall be granted by the Audit Committee and/or Board of Directors, as the case may be on merit and approval of the shareholders by way of Resolution shall also be obtained, wherever required.

5.4.3 While seeking the approval of the Audit Committee, Board or the Shareholders, all information that is relevant and necessary to the Related Party Transaction and as prescribed under the Act,

listing Regulation and any other laws or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board or Shareholders, as the case may be.

6. RPTs not approved under this Policy

If an RPT is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Committee. The Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the RPT, to the extent permissible under the law.

In connection with any review of RPT, the Committee has authority to modify or waive any procedural requirements of this Policy.

7. General Exemption:

7.1 There is no approval required 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.

7.2 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.

8. Disclosure:

8.1 The Company shall maintain a register pursuant to Section 189 of the Act and enter therein the particulars of all the Related Party Transactions with a Related Party. \

8.2 Disclosures as appropriate concerning the Related Party Transactions and/or Material Related Party Transactions shall be made in the Annual Report of the Company including its Financial Statements, on the website of the Company and also to the Stock Exchanges where equity shares of the Company are listed and to such other authority as may be prescribed from time to time.

8.3 Remuneration and sitting fees paid by the Company 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 the Act and the Listing Regulations.

9. Monitoring & Review:

The Board may monitor, review and amend the Policy from time to time as also whenever necessitated due to amendments to the Act, Listing Regulations or any other Regulations. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

This policy (including the thresholds) shall be reviewed by the Board of Directors once in three

years and/or and when required and updated accordingly.

10. Miscellaneous:

10.1 This Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly.

10.2 Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable Indian Accounting Standards and other applicable provisions for the time being in force.

10.3 In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall mutatis mutandis apply to /prevail upon this Policy.
