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# **RELATED PARTY TRANSACTIONS POLICY**

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**ARTEMIS MEDICARE SERVICES LIMITED**  
Plot-14, Sector-20, Dwarka, South-West Delhi-110075

## 1. Preamble

The Board of Directors (the "**Board**") of Artemis Medicare Services Limited (the "**Company**" or "**AMSL**"), has adopted the following Related Party Policy (the "**Policy**") and procedures with regard to the Related Party Transactions in compliance with the requirements of Section 188 and Section 177 of the Companies Act (the "**Act**"), Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements Regulations), as amended from time to time (the "**Listing Regulations**"), and other Applicable Laws as defined below. The Audit Committee shall review and may propose amendments to this policy as may be required.

This Policy supersedes the policy approved by the Board of Directors of the Company on 10<sup>th</sup> October, 2019.

## 2. Objectives

This policy is framed to ensure the proper approval and reporting of transaction between the Company and its Related Parties as determined under Listing Regulations, the Act, 2013 and rules prescribed there under, and any other laws and regulations as may be applicable to the Company.

## 3. Scope and Applicability

This policy shall be applicable to all transactions made with:

- a) Board of Directors and their relatives;
- b) Key Managerial Personnel ("KMP") of the Company and their relatives; and
- c) Related Parties as defined hereinafter.

## 4. Definition

Definition of some of the key terms used in this policy are given below:

- '**Act**' means Companies Act, 2013, along with rules, notifications and circulars made/ issued thereunder, as amended from time to time.
- '**Annual Report**' shall mean the annual report of AMSL.
- "**Applicable Laws**" shall mean any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, notification and clarification issued by any governmental or statutory or regulatory authority or other governmental instruction and/or mandatory standards, as may be applicable to the Company and its subsidiaries, with respect to Related Party Transactions, and as amended from time to time and includes (a) the Companies Act; (b) the Listing Regulations; and (c) the Accounting Standards.
- '**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’**, 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.

*Explanation.* —For the purpose of this clause—

(a) the expression **“significant influence”** means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;

(b) the expression **“joint venture”** means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

And as per applicable Indian Accounting Standard with respect to related party transaction.”

- **‘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’** means the collective body of the Directors of the Company including Committees of the Board wherever authorized by the Board.
- **‘Chief Executive Officer (CEO)’** means an officer of a company, who has been designated as such by it.
- **‘Chief Financial Officer (CFO)’** means a person appointed as the Chief Financial Officer of the Company.
- **‘Company Secretary (CS)’** means a Company Secretary as defined in Section 2(24) of the Act.
- **‘Key Managerial Personnel or KMP’** means a key managerial personnel as defined under the Act:
  - i. The Chief Executive Officer or the Managing Director or the Manager and in their absence a Whole-Time Director;
  - ii. Company Secretary;
  - iii. Chief Financial Officer;
  - iv. 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
  - v. Such other officer as may be prescribed under the Act
- **‘Material Modification’** means subsequent modification(s) to an existing Related Party Transaction & the related terms, if such modification(s) leads to a variance of 15% of the transaction value approved earlier by the Audit Committee/ Board/ Shareholders, as the case may be and shall also mean and include all such modifications of the existing Related Party Transaction(s) exceeding a monetary value of INR 1,000 crores per annum irrespective of the absolute quantum of such modification. Where a modification is not quantifiable in monetary terms, the materiality for modification shall be laid down by the audit committee in respect of each contract based on facts and circumstances of the modification.

- **‘Material Related Party Transaction’** will have the same meaning as defined in the Listing Regulations, and/or such limits as may be prescribed in the Act.
- **‘Managing Director’** means Managing Director as defined in Section 2(54) of the Act.
- **‘Ordinary Course of Business’** means a transaction which is carried out in the normal course of business and falls within the perimeter of the ordinary exercise of operational activities or related financial activities.
- **‘Policy’** means this Related Party Transaction Policy.
- **‘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.
- **‘Related Party Transaction’** or **‘RPT’** has the meaning prescribed to it under the Listing Regulations and shall include transactions given in clause (a) to (g) of Section 188(1) of the Act.
- **‘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.
- **‘Whole-time Director’** means Whole-time Director as defined in Section 2(94) 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 SEBI Listing Regulations and any other applicable laws or regulations.

## 5. **Policy**

In terms of this Policy, either the Company or the persons authorized, to act on behalf of the Company, by the Board in accordance with this Policy may enter into any RPTs.

The Board on recommendation of the Audit Committee will lay down and approve a detailed procedure to be complied with, to implement this Policy.

This Policy will be reviewed, approved and amended from time to time by the Audit Committee and the Board of Directors of the Company, subject to review of at least once in every three years.

## **5.1 Identification of Related Parties and Related Party Transactions**

- a) Each Director and KMP shall disclose to the Company Secretary in form MBP-1, 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.
- b) The Chief Financial Officer, at the beginning of every financial year, shall provide the information to the Company Secretary about the related parties within the Artemis group i.e., Subsidiaries, Associate Companies, Joint Venture Companies, etc., and subsequent changes therein forthwith.
- c) 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.
- d) 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.
- e) 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.

## **5.2 Review and Approval of Related Party Transactions**

The Company shall be given a notice of any potential Related Party Transaction(s) in advance by the relevant stakeholders, so that the Audit Committee / Board have sufficient time to review information regarding the proposed Transaction.

### **5.2.1 Audit Committee**

- i) All the Related Party Transactions 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.
- ii) 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.
- iii) 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:

- a) transaction with a related party shall be considered material, if 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 listed entity, whichever is lower.
- b) 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.

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.

- iv) Related Party Transactions to which a subsidiary of the Company is a party and 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 10% (ten percent) of the annual consolidated turnover, as per the last audited financial statements of the Company.
- v) Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction (i) will not remain present at the meeting; or (ii) shall abstain from discussion and voting for the approval of such Related Party Transaction.

#### **5.2.1.1 Omnibus Approvals**

- i) 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.
- ii) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
- iii) While according omnibus approval, the Audit Committee shall specify the following:
  - a) the name(s) of the Related Party,
  - b) nature of the Transaction,
  - c) period of the Transaction,
  - d) maximum amount of Transactions that shall be entered into,
  - e) the indicative base price/current contracted price and the formula for variation in the price if any; and
  - f) such other conditions as the Audit Committee may deem fit
- iv) In the event the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, Audit Committee may grant omnibus approval for such Transactions subject to their value not exceeding a sum of rupees one crore per Transaction.

- v) 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.
- vi) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- vii) Prior approval of the Audit Committee for any Related Party Transaction or shareholder's approval for a Material Related Party Transaction is not required, if such a transaction is between
  - a) a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the annual general meeting for approval.
  - b) Two wholly-owned subsidiaries of the Company whose accounts are consolidated and placed before the shareholders of the Company at the general meeting for approval.

### **5.2.2 Board of Directors**

- i) In case any Related Party Transaction (as per the applicable provisions of the Act) is proposed to be undertaken which is not: (i) in the ordinary course of business; or (ii) an Arm's Length Transaction, such Related Party Transaction shall not be entered into without the prior approval of the Board of Directors, as per the applicable requirements under the Companies Act.
- ii) Where any Director is interested in the Related Party Transaction being considered for approval at the Board meeting, such Director shall not be present during discussions pertaining to such Related Party Transaction.
- iii) 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.

### **5.2.3 Shareholders**

Shareholder's approval by way of a resolution, as prescribed in the Listing Regulations, shall be required only in the following scenarios:

- i) All the Material Related Party Transactions including any Material Modification to such Material Related Party Transactions, other than those mentioned in clause 5.2.1.1 (vii).
- ii) In case any Related Party Transaction (as per the applicable provisions of the Act) is proposed to be undertaken which (i) is not in the ordinary course of business, or not at arm's length; and (ii) exceeds the specified threshold for such Related Party Transaction as per the applicable provisions of the Act.

Provided that, all entities falling under the definition of 'Related Parties' shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

## **6. 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 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.
- 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 Listing Regulations, necessary action to be taken, including ratification, revision or termination of the Related Party Transaction.

## **7. Disclosures**

- 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.
- 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. With effect from April 1, 2023, such disclosures will be made every six months on the date of publication of the Company's standalone and consolidated financial results.
- d) This Policy shall be disclosed under a separate section on the website of the Company [www.artemishospitals.com](http://www.artemishospitals.com) and a web link thereto shall 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.
- f) Disclosure shall be made in the Company's Corporate Governance Report forming part of the Directors Report regarding Related Party Transactions including loans and advances granted by the Company or its subsidiaries to firms/ companies in which directors are interested stating the name of the firm/ companies and the amount of such loan/ advance.

#### **8. Authority/ Policy Review**

- a) This Policy has been adopted by the Board of the Company at its meeting held on 11<sup>th</sup> May, 2022 and the same shall be effective with the immediate effect.
- b) This Policy is based on the provisions of the Act and the SEBI 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 SEBI 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 amend this Policy to be made consistent with the prevailing provisions of the Act and the SEBI 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 may refer the same for legal opinion.

#### **9. General**

In case of any doubt with regard to any provision of this 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.

#### **10. Queries and Clarifications**

A Related Party may reach out to the Company Secretary for any doubts or clarifications in respect of this Policy.