



RELATED PARTY TRANSACTION POLICY

1. Purpose of this policy:

Aster DM Healthcare Limited ("Aster DM" or "Company") is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India ("SEBI"). Pursuant to Regulation 23(1) of SEBI Regulations listed company shall formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

Accordingly, the Company has formulated this policy on materiality of Related Party Transactions and the manner of dealing with related party transactions between the Company and its related parties.

2. Review of policy

The Board of Directors of the Company shall review the Policy at least once every three years and update accordingly.

3. Definitions

- A. "**Act**" shall mean the Companies Act, 2013 and includes any amendment thereof.
- B. "**Arm's Length Transaction**" has been defined to mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- C. "**Committee**" shall mean Audit Committee constituted pursuant to the provisions of Act and Regulations.
- D. "**Relative**" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.
- E. "**Related Party**" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

- F. "**SEBI Regulations**" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- G. "**Related party transaction**" means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.



- H. **“Material related party transaction”** means a transaction with related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Notwithstanding that 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.

- I. **“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.
- J. **“Key Managerial Personnel”** means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI Regulations, as amended from time to time.

4. Threshold limit for Related Party Transactions

The threshold limits for related party transactions would be as defined in the Act and SEBI Regulations or as amended therein from time to time. Presently, the thresholds are as under:

Audit Committee	Board of Directors	Shareholders
All Related Party Transactions	Any Related Party Transaction which is not in the ordinary course of business and/or not at arm’s length basis.	1) All material Related Party Transactions 2) Any Related Party Transaction as per table below and exceeding their respective limits (other than with wholly-owned subsidiaries)

Category of Transactions	Limits under the act for shareholders approval
Sale, purchase or supply of any goods or materials, directly or through appointment of agent.	10% or more of Turnover
Selling or otherwise disposing of, or buying, property of any kind, directly or through appointment of agent.	10% or more of Net worth
Leasing of property of any kind	10% or more of Turnover
Availing or rendering of any services, directly or through appointment of agent.	10% or more of Turnover
Such Related Party’s appointment to any office or place of profit in the company, its subsidiary Company or associate Company	At a monthly remuneration exceeding Rs. 2.5 lakhs
Underwriting the subscription of any securities or derivatives thereof, of the company	Exceeding 1% of Net worth



5. Identification of related party transaction

Every Director, Key Managerial Personnel are responsible for providing notice to the Board of Directors or the Committee, of any potential Related Party Transaction involving him/her or his/her relative, including any additional information about the transaction that the Board of Directors /Committee may reasonably request. Board of Directors /Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

All Directors are required to declare and disclose their concerns or interests in any company or companies or bodies corporate at the first Board meeting in every financial year and subsequently whenever there is any change in disclosures. In addition, the Directors shall ensure that any business transactions entered into between the Company and themselves comply with the terms of this Policy.

The Company prefers to receive such notice (or any changes thereof) of any potential Related Party Transaction, well in advance so that the Board of Directors /Committee has adequate time to obtain and review information about the proposed transaction.

6. Manner of dealing with related party transactions.

Approval of related party transactions:

6.A. Audit Committee

1. All the transactions which are identified as related party transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.
2. Any member of the Committee who has a potential interest in any related party transaction will rescue himself/herself and abstain from discussion and voting on the approval of the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as applicable.
3. The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23 (3) of SEBI Regulations and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
4. The omnibus approval shall specify:
 - a. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - b. the indicative base price / current contracted price and the formula for variation in the price if any; and
 - c. such other conditions as the audit committee may deem fit.



5. 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 rupees one crore per Transaction.
6. Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

6.B. Board of Directors

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 price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such 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 rescue himself and abstain from discussion and voting on the approval of the related party transaction.

6.C. Shareholders

1. If a related party transaction is (i) a material transaction as per Regulation 23 of SEBI Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds the thresholds prescribed under the Companies Act, 2013 and rules enacted thereunder, it shall require shareholders' approval by an ordinary 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 the requirements specified under this clause 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.

2. Transactions entered into 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 shall be exempted from prior approval of the Audit Committee, omnibus approval by Audit Committee and approval of shareholders.

6.D. Reporting of related party transactions

1. Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be disclosed in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
2. Company shall maintain a register of such contracts and also disclose transactions with related parties in its annual report and material related party transactions in corporate governance report.



3. The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

7. Related Party Transactions not approved under this policy

In the event the Company becomes aware of any transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction (including reasons of failure to report such transaction) and evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction.

8. Limitation and Amendment

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