



HEALTHCARE GLOBAL ENTERPRISES LIMITED
POLICY ON RELATED PARTY TRANSACTIONS



1. PREAMBLE:

HealthCare Global Enterprises Limited (the “Company” or “HCG”) given the corporate structure, size and scale of its operations, has occasions to engage in Related Party Transactions (RPTs). As a part of the Company’s philosophy of adhering to highest ethical standards, transparency and accountability in conduct of its business and in the interest of maintaining and adhering to an appropriate governance framework, the Company has historically mandated and ensured that such Related Party Transactions should be undertaken only in the ordinary and normal course of business and at arm’s length such that relationship with the Related Party does not influence, in any manner whatsoever, the pricing and other terms and conditions of such transactions by the Company with Related Parties.

Accordingly, this Policy has been formulated, which includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Clause 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Any amendments, from time to time, to the Policy, shall be considered by the Board, based on the recommendations of the Audit Committee. This Policy applies to transactions between the Company and one or more of its Related Parties and provides a framework for governance and reporting of Related Party Transactions including material transactions.

2. PURPOSE:

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties, in compliance with the applicable laws and regulations as may be amended from time to time. 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 in the best interest of the Company and its shareholders; and to comply with the statutory provisions in this regard.

3. DEFINITIONS:

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

- (a) “**Act**” shall mean the Companies Act, 2013 and includes any amendment thereof.
- (b) “**Audit Committee or Committee**” means Committee of Board of Directors of the Company, constituted under provisions of the Companies Act 2013 and Listing Regulations.
- (c) “**Board**” means Board of Directors of the Company.
- (d) “**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013 and includes (i) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Company Secretary; and (iii) the whole-time director (iv) the Chief Financial Officer.



- (e) “**Listing Regulations**” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (f) “**Material Related Party Transaction**” means a transaction with a 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 Company, as per the last audited financial statements of the Company.
- (g) “**Policy**” means Related Party Transaction Policy.
- (h) “**Related Party**” means related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or Listing Regulations and as amended from time to time; and shall with reference to a company includes:
- i. a director or his relative;
 - ii. a key managerial personnel or his relative;
 - iii. a firm, in which a director, manager or his relative is a partner;
 - iv. a private company in which a director or manager is a member or director;
 - v. a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
 - vi. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
 - vii. any person on whose advice, directions or instructions a director or manager is accustomed to act;
- (i) “**Related Party Transaction**” means any transaction directly or indirectly involving any Related Party, which is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.
- (j) “**Relative**” means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner –
- i. Members of a Hindu undivided family;
 - ii. Husband or 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); or
 - x. Sister (including step-sister).
- (k) “**Transaction**” with a related party shall be construed to include a single transaction or a group of transactions.



4. POLICY:

According to the Policy, the Audit Committee shall review and approve all Related Party Transactions.

All proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee. In the case of frequent/regular/repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre – approval/omnibus approval, details whereof are given in a separate section of this Policy.

In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

4.1 Identification of Related Party Transactions:

Every Director and Key Managerial Personnel shall be responsible for providing a declaration in the format as per Annexure 1 containing the following information, to the Company Secretary and Compliance Officer, on an annual basis:

- i. Partnership firms in which he/she or his/her Relative is a partner;
- ii. Private Companies in which he/she is a member or Director;
- iii. Public Companies in which he/she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
- iv. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
- v. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).
- vi. Names of his/her Relatives;

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

The Company Secretary shall be responsible to maintain an updated database of information pertaining to Related Parties, reflecting details of –

- i. All Directors and Key Managerial Personnel;
- ii. All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
- iii. Company's holding company, subsidiary companies and associate companies;
- iv. Subsidiaries of holding company;
- v. Director or Key Managerial Personnel of the holding company or their Relatives;
- vi. All HCG Group entities;
- vii. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with Clause 23 of the Listing Regulations or the relevant Accounting Standard.

The database shall be updated whenever necessary and shall be reviewed at least once a year jointly by the Company Secretary and Chief Financial Officer.



Every Director, Key Managerial Personnel, functional/business heads/ Chief Financial Officer will be responsible for providing prior notice to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board/Committee may request, for being placed before the Committee and the Board.

The Chief Financial Officer or the Company Secretary may refer any potential related party transaction to any external legal/transfer pricing expert and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee. Based on this notice, the Company Secretary will take it up for necessary approvals under this Policy.

4.2 Review and approval of Related Party Transaction

All Related Party Transactions shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or through electronic mode.

A member of the Committee who (if) has a potential interest in any Related Party Transaction will not remain present at the meeting or abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such Transaction is considered.

4.3 Consideration by the Committee in approving the proposed Transaction

While considering any transaction, the Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. Prior to the approval, the Committee shall, inter-alia, consider the following factors to the extent relevant to the transaction:

- a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- c. Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction; and
- d. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee shall take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies/short term commercial decisions to improve/sustain market share, changing market dynamics, local competitive scenario, economic/regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.



4.4 Approval by Circular Resolution of the Committee:

In the event the Company/management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee by way of circular resolution, in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified by the Committee at its next scheduled meeting.

4.5 Approval by the Board

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

4.6 Standing Pre-Approval / Omnibus Approval by the Committee:

Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are frequent/regular/repetitive in nature and are in the normal course of business of the Company.
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify the following:
 - i. Name of the related party;
 - ii. Nature of the transaction;
 - iii. Period of the transaction;
 - iv. Maximum amount of the transactions that can be entered into;
 - v. Indicative base price / current contracted price and formula for variation in price, if any;
 - vi. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

Further, where the need of the related party transaction cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the value per transaction not exceeding Rs.1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee for ratification. Further, the Committee shall on an annual basis review



and assess such transactions including the limits to ensure that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.

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.

4.7 Approval of Material Related Party Transactions

All Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolution.

4.8 Transactions not in the ordinary course of business or not at arm's length

All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, which are not in the Ordinary Course of Business or not at Arms' Length shall also require the prior approval of the shareholders through special resolution; and the Related Parties shall abstain from voting on such resolution.

4.9 Related Party Transactions not previously approved

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee deems appropriate under the circumstances.

4.10 Disclosure and reporting of Related Party Transactions

Every Related Party Transaction entered into by the Company shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction. The Company Secretary and the Chief Financial Officer shall be, responsible for such disclosure. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

4.11 Related Party Transactions not requiring approval of the Audit Committee

Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee or Shareholders:

- i. 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.



- ii. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- iii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

5. SCOPE LIMITATION

In the event of any conflict between the provisions of this Policy and of the Listing Regulations / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations/ Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy

6. DISSEMINATION OF POLICY

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.



Annexure 1
Notice of Interest by Director/ Key Managerial Personnel

To,

The Company Secretary & Compliance Officer,
HealthCare Global Enterprises Limited
'HCG Towers', No. 8, P. Kalinga Rao Road
Sampangi Rama Nagar, Bangalore - 560027

I,,son/daughter/spouse of.....,resident of.....,being a Director/Key Managerial Personnel in the company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following firms, company or companies, body corporates:

A.1 Details of Partnership Firms/Sole Proprietorships in which I am a Partner/my Relative is a Partner:

Sl. No.	Names of Firms/ Sole Proprietorships	Nature of Interest or Concern/ Change in interest or concern	Capital contribution and profit/loss sharing ratio	Date on which interest or concern arose/changed	Names of the other partners

A. 2 Details of Private Companies in which I am a member or director:

Sl. No.	Names of Companies	Nature of Interest or Concern/ Change in interest or concern	Shareholding (No. of Shares & % of holding)	Date on which interest or concern arose/changed

A.3 Details of public companies in which I along with my relatives holds more than two per cent of its paid-up share capital:

Sl. No.	Names of Companies	Nature of Interest or Concern/ Change in interest or concern	Shareholding (No. of Shares & % of holding)	Date on which interest or concern arose/changed

B. The following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with my advice, directions or instructions:



Sl. No.	Name of the Body Corporate

C. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity).

Sl. No.	Name of the Person	Relationship

D. List of Relatives (pursuant to Section 2 (77) of the Companies Act, 2013)

Sl. No.	Particulars	Name of relatives	Shareholding in the Company (No. of shares)
1.	Spouse		
2.	Father (including Step-Father)		
3.	Mother (Including Step Mother)		
4.	Son (Including Step son)		
5.	Son's wife		
6.	Daughter(s) (Including step-daughter)		
7.	Daughter's Husband		
8.	Brother (Including Step Brother)		
9.	Sister (Including Step Sister)		
10.	Members of a Hindu Undivided Family		

Signature:
Name:
Designation:

Place:

Date :