



DEEP HEALTH AI INDIA LIMITED

POLICY ON RELATED PARTY TRANSACTION

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1. Preamble

The Company shall engage with Related Parties in the ordinary course of business and on arm's length basis while ensuring that the transactions with Related Parties are fully compliant with applicable Regulations.

2. Purpose

The policy is not just to be in the best interest of its stakeholders but also is in due compliance with the requirements of the Companies Act and other applicable laws. Further, as per the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, a policy needs to be formulated to deal with Related Party Transactions including formulating a policy on materiality of related party transactions. This policy lays down the mechanism to deal with related party transactions.

3. Definitions

“Act” means the Companies Act, 2013.

“Company” means Deep Health AI India Limited

“Listing Regulations” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Related Party”

In relation to the company means a party related to the company in any of the ways as laid down in Section 2(76) of the Companies Act, 2013 or Regulation 2(1)(zb) of the SEBI (LODR), 2015 as amended from time to time and includes the following

- 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 or his relative is a member or director;
- v. A public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
- vi. Anybody 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; [Except advice, directions or instructions given in a professional capacity]
- vii. Any person on whose advice, directions or instructions a director or manager is accustomed to act. [Except advice, directions or instructions given in a professional capacity]

- viii. Anybody-corporate which is a holding, subsidiary or an associate company of such company; or a subsidiary of a holding company to which it is also a subsidiary or an investing company or the venturer of the company
- ix. A director other than an Independent Director or Key Managerial Personnel of the holding Company or his relative with reference to a Company.

Further;

- a. any person or entity forming a part of the promoter or promoter group of the company; or
- b. any person or any entity, holding equity shares of ten per cent or more, in the company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year; shall be deemed to be a related party

“Related party transaction”

It 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:

Explanation: A transaction with a related party shall be construed to include single transaction or a group of transactions in a contract.

As per Section 188 of the Act, it shall mean contracts or arrangements with related party with respect to: -

- (a) Sale, purchase or supply of any goods or materials.
- (b) Selling or otherwise disposing of, or buying, property of any kind.
- (c) Leasing of property of any kind.
- (d) Availing or rendering of any services.
- (e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the Company

All capitalized terms used in this policy document but not defined herein shall have the meaning described to such term in the Companies Act, 2013 and the rules framed there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Equity Listing Agreement, as amended from time to time. The Policy shall be applicable to all the Related Party Transactions entered.

4. Identification of Related Party:

The Company shall identify related parties as per the definition provided in the Act and the listing regulations.

The Company shall obtain the list of related parties of its Subsidiary companies as per the definition provided in the listing regulations.

5. Dealing with Related Party Transaction an:

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 approach as given in upcoming points.

6. Identification of Related Party Transaction:

All Related Party Transactions must be brought to the notice of the Audit Committee of the Company for its approval. Any employee of the Company who is aware of any such transactions 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. All Directors, Members of the Management Committee & key Managerial Personnel (KMP's) are responsible for informing the Company of their interest (including interest of their relatives) in other Companies, firm of concerns at the beginning of every financial year and any change in such a interest during the year. In addition, all Directors, Members of the Management Committee & key Managerial Personnel (KMP's) are responsible for providing notice to the Company Secretary of any potential-related party transaction involving him/her or his/her relative, including any additional information about the transaction that the Audit Committee may request. The Board shall record the disclosure of the interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on 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 refer it to the Audit Committee.

7. Review and Approval of Related Party Transaction:

Approval by Audit Committee:

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

The detail required for approval of Audit Committee as per Table-A below:

Table-A	
Details required for Approval of Audit Committee	
S No.	Particulars
1	The name/s of the Related Party
2	Nature of transaction
3	Period of transaction
4	Maximum amount of transaction that can be entered into
5	The indicative base price/current contracted price and the formula for variation in the price, if any.
6	Such other conditions/ information as required under the Act and SEBI Regulations, 2015, as amended from time to time

The Audit Committee may grant Omnibus approval (valid for one year) to related party transactions that are:

- a. Repetitive nature, and/or
- b. Entered in the ordinary course of business and are at Arm's Length.
- c. justification for the need of omnibus approval.

Audit Committee shall consider the following criteria for granting omnibus approval:

- (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
- (b) the maximum value per transaction which can be allowed;
- (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- (d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made.
- (e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

Further Omnibus approval shall indicate the following:

- (a) name of the related parties;
- (b) nature and duration of the transaction;
- (c) maximum amount of transaction that can be entered into;
- (d) the indicative base price or current contracted price and the formula for variation in the price, if any; and
- (e) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Where the need for related party transaction cannot be seen, Audit Committee may grant omnibus approval for related party transactions of value not exceeding One crore rupees.

In an unforeseen event where a related party transaction for which Omnibus approval has not been given & needs to be entered due to business exigencies between two Audit Committee Meetings, the Audit Committee may approve such related party transaction by a passing a resolution by circulation.

Approval of Board of Directors:

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 interested in any related party transaction shall abstain from voting on the approval of such transaction. However, they may participate in discussion with respect to other related party transactions placed for approval of the Board.

Board shall be provided with the following data for consideration of related party transaction:

- (a) the name of the related party and nature of relationship;
- (b) the nature, duration of the contract and particulars of the contract or arrangement;
- (c) the material terms of the contract or arrangement including the value, if any;
- (d) any advance paid or received for the contract or arrangement, if any;
- (e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- (g) any other information relevant or important for the Board to take a decision on the proposed transaction.

Approval of Shareholders:

All the Transactions with the related parties which are not in the Ordinary Course of Business and at Arms' Length shall, subject to the limits mentioned in Rules 15(3) of the Companies (Meeting of Board and its Power) Rules, 2014, also require the approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolution.

The notice being sent to the shareholders seeking approval for any proposed RPT shall include following details with respect to the transaction:

- (a) name of the related party ;
- (b) name of the director or key managerial personnel who is related, if any;
- (c) nature of relationship;
- (d) nature, material terms, monetary value and particulars of the contract or arrangement;

(e) any other information relevant or important for the members to take a decision on the proposed resolution.

8. Disclosure

Appropriate disclosures as required under the Act and the Listing Regulations will be made in the Annual Return, Board's Report and to the Stock Exchanges, if required.

9. Amendments to the Policy

The Board of the Company shall review and may amend this policy once every three years.

Further, in case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.