

**METROPOLIS HEALTHCARE LIMITED**

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH  
RELATED PARTY TRANSACTIONS**

<b>Reviewing Authority</b>	Audit Committee of the Company
<b>Approving Authority:</b>	Board of Directors of the Company
<b>Original Issue Date:</b>	February 11, 2019
<b>Last Revision Date:</b>	February 11, 2022
<b>Version No.:</b>	2.0
<b>Review Cycle:</b>	At such Intervals as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
<b>Applicability</b>	Metropolis Healthcare Limited and its Subsidiaries

## 1. PREAMBLE

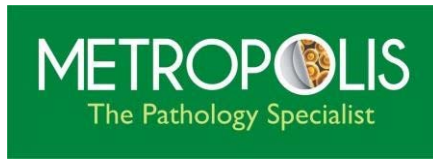
- 1.1 The Board of Directors (**the “Board”**) of Metropolis Healthcare Limited (**the “Company”**) has adopted this Policy upon recommendation of the Audit Committee and it includes the materiality threshold and the manner of dealing with Related Party Transactions (**“Policy”**) in compliance with the requirements of Section 188 of the Companies Act, 2013 (**“the Act”**) and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**). Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.
- 1.2 This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions. It shall be effective from April 01, 2022.

## 2. OBJECTIVE

- 2.1 This Policy is intended as follows:
- a) 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;
  - b) To ensure high standards of Corporate Governance while dealing with related parties.
- 2.2 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

- 3.1 **“Act”** means the Companies Act, 2013, including the Rules, Regulations schedules, clarifications and guidelines issued and amended by the Ministry of Corporate Affairs, from time to time.
- 3.2 **“Arms’ length Transaction”**, means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. If the commercial and key terms are comparable and are not materially different with similar transactions with non-related parties considering all the aspects of the transactions such as quality, realizations, other terms of the contract, etc. In case of contracts with related parties for specified period / quantity / services, it is possible that the terms of one-off comparable transaction with an unrelated party are at variance, during the validity of contract with related party. In case the Company is not doing similar transactions with any other nonrelated party, terms for similar transactions between other non-related parties of similar standing can be considered to establish ‘arm’s length basis’. Other



methods prescribed for this purpose under any law can also be considered for establishing this principle.

3.3 **“Audit Committee”** shall mean the Audit Committee of the Board of Directors constituted in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.4 **“Board”** refers to Board of Directors of Metropolis Healthcare Limited as defined under Companies Act, 2013.

3.5 **“Company”** or **“MHL”** refers to Metropolis Healthcare Limited pursuant to this policy.

3.6 **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as may be amended from time to time.

3.7 **“Key Managerial Personnel”** means Key Managerial Personnel as defined under Section 2(51) of the Companies Act, 2013.

3.8 **“Material transaction”** means a Transaction with a Related Party where any transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 Crores (Rupees One Thousand Crore only) or (10) ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company whichever is lower or such limits as may be prescribed either in the Companies Act, 2013 or SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.

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 2 (two) percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

3.9 **“Material Modifications”** means and includes any modification to an existing Related Party Transaction having a variance of 10% (ten percentage) based on the variance/modifications carried out in the transactions by the Company during the year of the existing limit as sanctioned by the Audit Committee / Board of Directors / Shareholders of the Company.

3.10 **“Policy”** means policy on materiality of Related Party Transactions and dealing with related party transactions.



3.11 **“Ordinary Course of Business”** means the course of business in which Transactions are entered in pursuance of the business objective of the Company and necessary for Company’s operations or related financial activities, including the fixed assets transactions, except:

- i. transactions involving transfer/ demerger/ acquisition/ business restructuring transaction of a business or a unit thereof;
- ii. lending/ borrowing/ providing or receiving guarantees to/ from entities other than the entities which are consolidated in the Company’s Consolidated Financial Statements;
- iii. investing in equity or instruments convertible in equity of the entities other than the entities which are consolidated in the Company’s Consolidated Financial Statements as per approved budget or divesting any such investment for an amount exceeding Rupees 10 (Ten Crore only) or 5% (five percent) of Company’s net worth, whichever is lower;
- iv. any other items which are required to be reported as ‘Exceptional Item’ in the Company’s annual financial statements

3.12 **“Related Party”** shall have the meaning ascribed to it in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 including all amendments and modifications thereof from time to time.

Provided that:

- (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:
  - (i) of twenty per cent or more; or
  - (ii) of ten per cent or more, with effect from April 1, 2023;

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 immediate preceding financial year; shall be deemed to be a related party.

3.13 **“Related Party Transaction” or “RPT”** means transfer of resources, services or obligations between:

- (i) 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
- (ii) 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, with effect from April 1, 2023;

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:

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 by the Company 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. acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

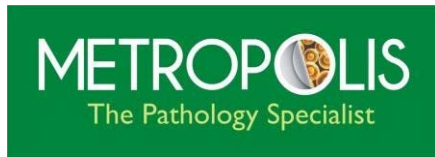
Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s)

3.14 **“Relative”** means a relative as defined under the Companies Act, 2013 and SEBI Regulations and includes anyone who is related in any of the following manner –

- a. Members of a Hindu undivided family;
- b. Husband or wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son’s wife;
- g. Daughter;
- h. Daughter’s husband;
- i. Brother (including step-brother); or
- j. Sister (including step-sister).

3.15 **“Rules”** means Companies (Meetings of Board and its Powers) Rules, 2014 including any modifications or amendments thereof).

3.16 **“SEBI LODR”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re – enactment(s) thereof for the time being in force).



3.17 **“Transaction”** with a Related Party shall be construed to include single transaction or a group of transactions entered into under a single contract.

Words, terms and expressions used and not defined in these rules or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 but defined in the Act shall have the same meaning respectively assigned to them in the Act.

#### **4. POLICY AND PROCEDURES**

All RPTs must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy, whether at a meeting or by resolution by circulation or any other manner as provided by the Act or Rules made thereunder.

##### **4.1 Disclosure by Directors and KMP’s**

Every year, the Directors shall provide declaration to the Company Secretary his concern or interest in any Company or Companies or bodies corporate, firms, or other association of individuals in the format prescribed under the Companies Act, 2013 (**Annexure 1**).

The declarations will be updated by the Directors, in case of any change and intimated to the Company Secretary for placing before the Board of Directors.

Any individual appointed as director or KMP shall provide declaration to the Company Secretary in the prescribed format.

##### **4.2 Identification of Potential RPTs**

Each director and Key Managerial Personnel is responsible for providing notice to the Company of any potential RPT, if not given already in the first Board Meeting of the financial year, involving him/her or his/ her relative, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee/ Board. The Board shall record the disclosure of Interest and the Audit Committee will determine whether the transaction does, in fact, constitute a RPT requiring compliance with this policy.

The Directors and KMPs will ensure that their notice of any potential RPT is delivered well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

#### 4.3 Review and Approval of RPTs

##### i. Audit Committee

All RPTs shall require prior approval of the Audit Committee. To review a Related Party Transaction, the Audit Committee shall be provided with all relevant material information of the Related Party Transaction as provided in **Annexure 2**. On review of a Related Party Transaction basis the information provided, Audit Committee shall approve or disapprove a Related Party Transaction.

However, the Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the company subject to the following conditions:

1. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on RPTs of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
2. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
3. Such omnibus approval shall specify the following:
  - i. the name(s) of the related party
  - ii. nature of transaction,
  - iii. period of transaction,
  - iv. maximum amount of transaction that can be entered into,
  - v. the indicative base price / current contracted price and the formula for variation in the price if any and;
  - vi. such other conditions as the Audit Committee may deem fit;

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

4. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
5. Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of one financial year.
6. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.



In determining whether to approve a RPT, the Audit Committee will consider the following factors, among others, to the extent relevant to the RPT:

- i. Whether the terms of the RPT are fair and on arm's length basis to the Company;
- ii. Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any;
- iii. Whether the RPTs are entered in the past;
- iv. Whether the nature of the proposed transaction is something that the Company would have ordinarily done in the course of its business;
- v. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- vi. Any other factor the Audit Committee deems relevant for reviewing and approving such RPT.

A related party transaction to which the Subsidiary of the Company is a party but 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 ten per cent of the *annual consolidated turnover*, as per the last audited financial statements of the Company.

With effect from April 01, 2023, a related party transaction to which the Subsidiary of the Company is a party, but 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 individually or taken together with previous transactions during a financial year, exceeds ten per cent of the *annual standalone turnover*, as per the last audited financial statements of the Subsidiary.

For related party transactions of unlisted subsidiaries of the Company, the prior approval of the Audit Committee of the Company shall suffice.

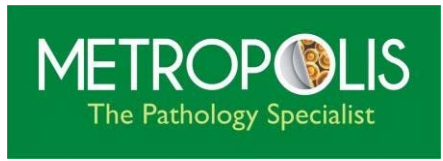
Any Member of the Audit Committee who is directly or indirectly interested in any Related Party Transaction shall rescue himself/herself and abstain from participating in the discussion and voting on the approval of such Related Party Transaction.

#### **Transactions which do not require approval**

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

- (a) Any transaction involving the providing of compensation to a Director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.





(b) 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.

**ii. Board of Directors**

The Board shall consider and approve the RPT as required to be approved under the Act or rules made thereunder and/or SEBI Regulations and/or transactions referred to it by the Audit Committee.

To review a Related Party Transaction, the Board shall be provided with all relevant material information of the Related Party Transaction as provided in **Annexure 2**.

Any Member of the Board who is directly or indirectly interested in any Related Party Transaction shall rescue himself/herself and abstain from participating in the discussion and voting on the approval of such Related Party Transaction.

**iii. Shareholders' Approval**

All the Material RPTs shall require approval of the shareholders (unless exempted pursuant to SEBI Regulations and Act). No related party shall vote to approve such resolution irrespective of whether the entity is a party to a particular transaction or not. The transactions which fall under Section 188 of the Act which are not in the ordinary course of business and / or not an Arms' length basis and which exceeds the threshold limits prescribed under the rules made thereunder, shall require approval of the

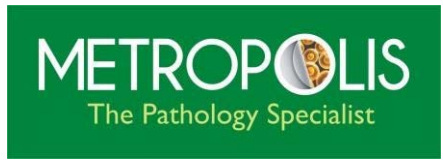
**5. DISCLOSURES**

Every Related Party Transaction entered by the Company shall be referred to in the Board's report to the shareholders as required under the Act and SEBI LODR. 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 Act.

Enhanced disclosure of information related to Related Party Transactions shall be placed before the Audit Committee.

The Company shall disclose to the Stock Exchange along with the compliance report on corporate governance on a quarterly basis detail of all Material Related Party Transactions.

The Company entity shall submit to the Stock Exchanges disclosures of Related Party Transactions in the format as specified by the Board from time to time, and publish the same on its website:



Provided that the Company shall make such disclosures every six months within fifteen days from the date of publication of its standalone and consolidated financial results.

Provided further that the Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023.

**6. TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the transaction shall be placed as promptly as practicable before the Audit Committee or Board, or the Shareholders as may be required for review and necessary action in accordance with the Policy, Act, Rules and SEBI LODR.

The Audit 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 Audit Committee may deem appropriate under the circumstances.

**7. 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 intranet and website of the Company and web link thereto shall be provided in the annual report of the Company.

**8. PENALTY FOR NON-ADHERENCE OF THE POLICY**

Non-adherence to any of the Clause as mentioned in this Policy will attract penalty as prescribed under the provisions of the Act or SEBI LODR or statutory enactments.

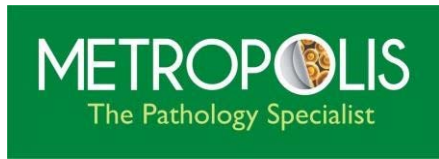
**9. REVIEW/AMENDMENT(S)**

The Board of Directors may review or amend this policy, in whole or in part, from time to time, at least once in every one year or within such period as mandated by any regulatory amendments, after considering the recommendations from the Audit Committee.

**10. INTERPRETATION**

In the event of any conflict between the provisions of this Policy and the Act or SEBI LODR or any other statutory enactments/ rules, the provisions of such Act or SEBI LODR or statutory enactments shall prevail over this Policy.

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**ANNEXURE 1**

**NOTICE OF INTEREST BY DIRECTOR / KEY MANAGERIAL PERSONNEL**

To,  
The Company Secretary/Compliance Officer  
**Metropolis Healthcare Limited**  
Address

Dear Sir,

A. I, ....., son/ daughter/ spouse of ....., resident of ....., holding ..... Equity Shares ) of Rs. 2/- each (..... percent of the paid up capital) in the Company in my name, being a ..... in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following company or companies, body corporate, firms or other association of individuals:

Sr. No.	Name of the Companies/Bodies Corporate/Firms/ Association of Individuals	Nature of Interest or Concern / Change in Interest or Concern	Shareholding (No. & %)	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 any advice, directions or instructions:

Sr. 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):

Sr. No.	Name of person	Relation

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D. List of relatives

Relationship	Full Name	Address	Shareholding in the Company
1. Spouse			
2. Father (including Step-Father)			
3. Son (including Step-son)			
4. Daughter			
5. Daughter's Husband			
6. Brother (Including Step-Brother)			
7. Sister (Including Step-Sister)			
8. Mother (including Step-Mother)			
9. Son's Wife			
10. Members of HUF			

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_\_

## **ANNEXURE 2**

### **INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE / BOARD IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION):**

- 1) Name of the Related Party and nature of relationship;
- 2) Nature and duration of the contract/transaction and particulars thereof,
- 3) Whether it is Material related party transaction
- 4) Material terms of the contract or arrangement or transaction including the value, if any;
- 5) In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
- 6) Any advance paid / received or to be paid / received for the contract or arrangement, if any;
- 7) Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
- 8) Copy of the draft MOU, agreement, contract, purchase order or correspondence etc.
- 9) if any.
- 10) Applicable statutory provisions, if any;
- 11) Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities;
- 12) Justification as to the arm's length nature of the proposed transaction;
- 13) Declaration whether the transaction is in the ordinary course of business;
- 14) Persons / authority approving the transaction; and
- 15) Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.