

SUNIL HEALTHCARE LIMITED

CIN: L24302DL1973PLC189662

Vijay Tower, 38E/252-A, Shahpur Jat, Panchsheel park commercial complex, New Delhi-110049

**POLICY ON
MATERIALITY OF RELATED PARTY TRANSACTIONS
AND DEALING WITH RELATED PARTY TRANSACTIONS”
(Amended/Updated as on 29th May, 2025)**





1. Preamble

The Company is committed to practicing the maximum transparency in the conduct of Related Party Transactions with its corporate governance philosophy based on the objective of continuing ethical conduct in fulfilling its responsibilities and recognizes that Related Party Transactions can present a risk of actual or apparent conflicts of interest of the Directors, Senior Management etc. with the interest of the Company.

The Board of Directors (the "Board") of **Sunil Healthcare Limited** (the "Company" or "**SHL**"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Purpose

This policy is framed as per requirement of Section 188 of the Companies Act-2013 ("Act") read with relevant Rules as well as the Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 ("Listing Regulations"), and 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.

The policy also seeks to ensure that related party transactions are appropriately reported to the regulatory authorities and are also in compliance with other regulatory requirements like the Income Tax Act, 1961, the Accounting Standards, etc. The Audit Committee of Board ("Audit Committee"), shall review, approve and where permitted ratify Related Party Transactions based on this Policy in terms of the requirements under the above regulatory provisions as applicable.

3. Definitions

"Arm's 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 as defined in explanation (b) to Section 188 (1) of the Companies Act, 2013.

"Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and Companies Act, 2013.

"Board" means Board of Directors of the Company



“Company” means Sunil Healthcare Limited

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

“Key Managerial Personnel” in relation to the Company means key managerial personnel as defined under Section 2(51) of the Companies Act, 2013 and/or Regulation 2(1)(o) of the Listing Regulations.

“Material modification” shall mean and include any modification to an existing related party transaction which result in change in the nature of the transaction; and / or variance exceeding 20% in the prices/quantity/transaction value as sanctioned/approved by the Audit Committee / Board / Shareholders, as the case may be; or any other modification, which the Audit Committee may, at its sole discretion, declare as ‘Material Modification’.

“Material Related Party Transaction” means a Transaction with Related Party which fall under the following criteria as mentioned below:-

- ❖ If 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;

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;

“Office or place of profit” means any office or place –

(a) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he/she is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

(b) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate (hereinafter referred to as “person”), if such person receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

“Policy” means Policy on “Materiality of related party transactions and on dealing with related party transactions” as amended from time to time. All the Related Party Transactions must be referred for approval by the Committee in accordance with the policy and reported to the Audit Committee at appropriate intervals. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.



“Related Party” in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2(76) of the Companies Act, 2013 and/or Regulation 2(1)(zb) of the Listing Regulations.

As per Regulation 2(1)(zb) of the Regulations, 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:

(a) any person or entity forming a part of the promoter or promoter group of the listed entity; 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 listed entity 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:]

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);

“Related Party Transaction” in relation to the Company means a transaction with a Related Party under the relevant provisions of the Companies Act, 2013 and/or Regulation 2(1)(zc) of Listing Regulations.

“Relative” means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under:

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

“Senior Management” in relation to the Company means the Senior Management as defined under Regulation 16(1)(d) of the Listing Regulations.

4. Policy and Procedures

Prior approval of Audit Committee

A. All Related Party Transactions and subsequent material modification shall be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

B. Even if the listed entity is not a party to Related Party Transaction but its subsidiary is a party, then also Prior Approval of Audit Committee of the listed entity will be required if the value of such transaction (singly or taken together) in an FY is >10% of annual consolidated turnover, as per audited financial statement of the listed entity

C. Effective from 1st April, 2023, even if the listed entity is not a party to Related Party Transaction but its subsidiary is a party, then also Prior Approval of Audit Committee of the listed entity will be required if the value of such transaction (singly or taken together) in an FY is >10% of annual standalone turnover, as per audited financial statement of the subsidiary.



However, the Audit Committee may grant approval for related party transactions proposed to be entered into by the Company or its subsidiary, where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, does not exceed rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Only those members of the audit committee, who are independent directors, shall approve related party transactions.

Prior approval of shareholders

All Material Related Party Transactions and subsequent material modifications shall require prior approval of shareholders of the Company through resolution and no Related Party shall vote to approve such resolutions whether the company is a related party to the particular transaction or not.

No such prior approval of the audit committee and / or the shareholders shall be required in following cases:

- (a) 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.
- (b) Transaction(s) entered into between two wholly owned subsidiaries of the company, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.
- (c) Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges, entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

All Related Party Transactions (other than Material Related Party Transactions) pursuant to section 188 of the Companies Act, 2013 which are not in the ordinary course of business or are not Arms' length transactions and cross the threshold limits prescribed under Companies Act, 2013, shall also require the prior approval of shareholders of the Company and no member of the company shall vote on such resolution(s), to approve any contract or arrangement which may be entered into by the Company, if such member is a related party. The Related Party for the purpose shall be construed with reference to/in the context of the contract or arrangement for which the resolution(s) is being passed.

The approval mechanism for Related Party Transactions shall be as stipulated in the Listing Regulations and/or the Companies Act, 2013 as amended from time to time.

4.1 Procedures for review and approval of Related Party Transactions

- (a) All Related Party Transactions or changes therein must be reported by the Chief Financial Officer, Head of Accounts Department, and to the Compliance Officer and referred for prior approval by the Audit Committee in accordance with this Policy.
- (b) The Audit Committee will undertake an evaluation of the Related Party Transaction. If that evaluation indicates that the Related Party Transaction would require the approval of the Board, or if the Board in any case elects to review any such matter, the Audit Committee will report the

Related Party Transactions, together with a summary of material facts, to the Board for its approval.

- (c) If the Board is of the view that the Related Party Transaction needs to be approved at a general meeting of the shareholders by way of an ordinary/special resolution pursuant to Companies Act, 2013, Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and any other applicable law, the same shall be put up for approval by the shareholders of the Company.
- (d) In exceptional cases, where a prior approval is not taken for any Related Party Transaction due to an inadvertent omission or due to unforeseen circumstances or emergent situations, the members of the Audit Committee, who are independent directors, may **ratify such related party transactions** within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:
 - (i) the value of the ratified transaction(s) with a Related Party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
 - (ii) the transaction is not material in terms of this Policy;
 - (iii) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
 - (iv) the details of ratification shall be disclosed along with the disclosures of Related Party Transactions in terms of the provisions of Regulation 23(9) of the Listing Regulations; and
 - (v) any other condition as specified by the Audit Committee.
- (e) No director or Key Managerial Personnel shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the director / Key Managerial Personnel shall provide all material information concerning the Related Party Transaction to the Audit Committee/ Board.
- (f) If a Related Party Transaction will be ongoing, the Audit Committee may establish guidelines for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be in respect of transactions which are repetitive in nature.
- (g) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- (h) The omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative case price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit.
- (i) Where the need for related party transaction cannot be foreseen and 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.
- (j) Thereafter, the Audit Committee, shall review at least on a quarterly basis, the details of RTPs entered into by the Company pursuant to each of the omnibus approval given.
- (k) The omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- (l) In addition, the Audit Committee/ the Board may review any Related Party Transactions involving independent directors as part of the annual determination of their independence.
- (m) Nothing in this Policy shall override any provisions of law made in respect of any matter stated in this Policy.



4.2 Standards for Review

A Related Party Transaction reviewed under this Policy will be considered approved or ratified if it is authorised by the Audit Committee/Board, as applicable, in accordance with the standards set forth in this Policy after full disclosure of the Related Party's interests in the transaction. As appropriate for the circumstances, the Audit Committee or Board, as applicable, shall review and consider.

- (a) the Related Party's interest in the Related Party Transaction;
- (b) the approximate amount involved in the Related Party Transaction;
- (c) the approximate amount of the Related Party's interest in the transaction without regard to the amount of any profit or loss;
- (d) whether the Related Party Transaction was undertaken in the ordinary course of business of the Company;
- (e) whether the transaction with the Related Party is proposed to be, or was, entered on an arms' length basis;
- (f) the purpose of, and the potential benefits to the Company from the Related Party Transaction;
- (g) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transaction, if any;
- (h) Whether the Related Party Transaction includes any potential reputational risk issues that may arise as a result of or in connection with the Related Party Transaction
- (i) Whether the Related Party Transaction would impair the independence of an otherwise independent director or nominee director;
- (j) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company;
- (k) Whether the Related Party Transaction would present an improper conflict of interest, as per provisions of law, for any director or Key Managerial Personnel, taking into account the size of the transaction, the overall financial position of the Related Party, the director or indirect nature of the Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Audit Committee/Board deems relevant.
- (l) Required public disclosure, if any ; and
- (m) Any other information regarding the Related Party Transaction or the Related Party in the context of the proposed transaction that would be material to the Audit Committee/ Board/ shareholders, as applicable in light of the circumstances of the particular transaction.

The Audit Committee/Board will review all relevant information available to it about the Related Party Transaction. The Audit Committee/Board, as applicable, may approve/ ratify/ recommend to the shareholders, the Related Party Transaction only if the Audit Committee/Board, as applicable, determines in good faith that, under all of the circumstances, the transaction is fair as to the Company. The Audit Committee/ Board, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the Related Party in connection with approval of the Related Party Transaction.

4.3 Determination of Ordinary Course of Business

"In the Ordinary Course of Business" means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases,



transfers, providing of guarantees or collaterals, in the normal routine in managing trade or business and is not a standalone transaction. The Company should take into account the frequency of the activity and its continuity carried out in a normal organised manner for determination what is in the ordinary course business.

4.4 Determination of Arms' length nature of the Related Party Transaction

(a) Price Determination

At the time of determination the arms' length nature of price charged for the Related Party Transaction, the Audit Committee shall take into consideration the following:

- i. Permissible methods of arms' length pricing as per Applicable Law including such prices where the benefits of safe harbour is available under Applicable Law.
- ii. For the said purposes the Audit Committee shall be entitled to rely on professional opinion in this regard.

(b) Underwriting and Screening of arms' length Related Party Transaction

- i. A Related Party with whom the Related Party Transaction is undertaken must have been selected using the same screening /selection criteria/ underwriting standards and procedures as may be applicable in case of an unaffiliated party.
- ii. The Chief Financial Officer shall produce evidence to the satisfaction of the Audit Committee for having applied the said procedure.

4.5 Identification of Potential Related Party Transactions

- (a) Each director/Key Managerial Personnel is responsible for providing written notice to the Compliance Officer of any potential Related Party Transaction involving him or her or his or her relatives, including any additional information about the transaction that the Compliance Officer may reasonably request. The Compliance Officer in consultation with other members of management and with the Audit Committee, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.
- (b) Every director/ Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in or exercise influence over any such meeting.
- (c) Where any director/ Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of Board held after he becomes so concerned or interested.
- (d) A contract or arrangement entered into by the company without disclosure or with participation by a Director / Key Managerial Personnel who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.
- (e) The Company strongly prefers to receive such notice of any potential Related Party Transaction



well in advance so that the Compliance Officer has adequate time to obtain and review information about the proposed transaction and other matter incidental thereto and to refer it to the appropriate approval authority. Ratification of a Related Party Transaction after its commencement or even its completion may be appropriate in some circumstances.

4.6 Disclosures

- (a) The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Stock Exchange Board of India (Board) from time to time, and publish the same on its website. Provided that a 'high-value debt listed entity' shall submit such disclosures along with its standalone financial results for the half-year:

Provided further that the listed entity shall make such disclosures to the stock exchanges periodically within the statutory time period as may be notified by SEBI from time to time.

The listed entity 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.

Provided further that the remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under Regulation 23 of Listing Regulations provided that the same is not material in terms of the provisions of 23 (1) of Listing Regulation.

- (b) The Company is required to disclose Related Party Transactions in the Company's Board's Report to shareholders of the Company at the Annual General Meeting.
- (c) Details of all Material Related Party Transactions shall be disclosed quarterly along with Company's Compliance Report on Corporate Governance, in accordance with the Listing Agreement.
- (d) The Company is also required to disclose this Policy on its website and also 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.

Other Disclosures

- (a) The Company which has listed its non-convertible securities shall make disclosures in compliance with the Accounting Standard on "Related Party Disclosures"
- (b) Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'

5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party 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 of the relevant facts and



circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. 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. SCOPE and INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Listing Regulations, Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Accounting Standards or any other relevant legislation / law applicable to the Company. In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term /provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

7. REVIEW AND AMENDMENTS

The said Policy shall be reviewed by the Board of Directors of the Company at such periodicals/intervals in accordance with applicable provisions of the Listing Regulations and Act and Rules made thereunder from time to time and to be updated accordingly. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Listing Regulations, Companies Act, 2013 or Rules framed thereunder, the SEBI Act or Rules and Regulations framed thereunder, Accounting Standards or any other relevant legislation / law applicable to the Company.