



**ASPIRA PATHLAB & DIAGNOSTICS LIMITED**

**POLICY ON RELATED PARTY**

**TRANSACTIONS**

## POLICY ON RELATED PARTY TRANSACTIONS

### 1. Introduction

Sub-regulation 1 of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires listed entity to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

The Board of Directors (the "Board") of **Aspira Pathlab & Diagnostics Limited** (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee may from time to time review and recommend amendments to this policy to the Board which may approve and adopt the same.

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. Policy Objective

The objective of this policy is to ensure proper approval and reporting of transactions between the Company and its Related Parties.

### 3. Definitions

**"Audit Committee" or "Committee"** means the committee constituted by the Board of Directors of the Company, from time to time, under the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

**"Arm's length transaction"** means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

**"Board of Director" or "Board"** means the Board of Directors of **Aspira Pathlab & Diagnostics Limited**, as constituted from time to time.

**"Company"** means Aspira Pathlab & Diagnostics Limited.

**"Key Managerial Personnel"** shall have the meaning ascribed to the term under Section 2(51) the Companies Act, 2013 and shall mean:

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013.

**“Material Related Party Transaction”** means a transaction with a Related Party if the transaction / transactions 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.

**“Ordinary course of business”** if transactions satisfy any of the following criteria, such transactions will be generally in the ordinary course of business:

1. The memorandum of Association of the Company should cover such transaction;
2. There are previous instances of the Company having carried out such transaction;
3. These transactions are frequent over a period of time;
4. The transaction should be in furtherance of the business objectives of the Company;
5. The transactions, if not frequent, are important to the business objectives of the Company and directly related to it;
6. The transactions are incidental to the luggage industry/ part of standard industry practice or but for which the business would be adversely affected;

This is not exhaustive criteria and the Company should assess each transaction considering its specific type, nature, value and circumstances.

**“Policy”** means this policy on Related Party Transactions.

**“Related Party”**, in relation to the Company, shall refer to an entity which is:

- (i) a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) a related party under the applicable accounting standards;
- (iii) a related party as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (iv) such other person as may be prescribed

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

**“Related Party Transaction”** means a transfer of resources, services or obligations between the Company 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.

“Relative” means relative as defined under the Companies Act, 2013 and, with reference to any person, means anyone who is related to another, if -

- i. they are members of a Hindu undivided family ;
- ii. they are husband and wife; or
- 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);
- x. Sister (including step-sister);
- xi. one person is related to the other in such manner as may be prescribed under the Companies Act, 2013.

## **5. Policy**

### **5.1. Identification of potential Related Party Transactions:**

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. The Audit Committee would determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

### **5.2. Restrictions related to Related Party Transactions**

#### **5.2.1 Audit Committee approval**

All Related Party Transactions shall require prior approval of Audit Committee. However, the 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 this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.

- b. The Audit Committee shall satisfy itself on the need for such omnibus approval and that such approval is in the interest of the company;
- c. Such 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 base 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;

Provided that 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 Rs. 1 Crore per transaction.

- d. 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 approval given.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- f. All such transactions are in the ordinary course of business and at arm's length.

#### 5.2.2 Board Approval

The following Related Party Transactions shall be subject to prior approval of Board of Directors:

1. All kinds of transactions with the Related Parties which are not in the ordinary course of business and/or not executed at an arm's length shall require approval of the Board of Directors by way of a resolution at a meeting of the Board.
2. Transactions which are not approved by the Audit Committee or in the opinion of the Audit Committee need special consideration / determination by the Board, may be recommended to the Board for its approval. Such transactions shall be placed before the Board for approval only at Board Meetings.
3. Where it is mandatory under any law for Board to approve the Related Party Transactions.
4. Related Party Transactions, in which the Directors or the Key Managerial Personnel, are concerned or interested.
5. Where any director is concerned or interested in any potential Related Party Transaction, such director shall abstain from voting when such transaction is being considered.

### 5.2.3 Shareholders Approval

The following Related Party Transactions shall be subject to prior approval of shareholders of the company by way of a resolution:

1. All Material Related Party Transactions shall require approval of the shareholders through ordinary resolution and
2. Related Party Transactions, which are not in the ordinary course of business or not executed at an arm's length basis, exceeding the threshold limits as may be prescribed under the Companies Act 2013 and the Rules made thereunder.
3. Any royalty/ brand fee payable between the related parties where such fees exceeds 2% of the annual consolidated turnover.

Further, no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Nothing contained in this Paragraph 5.2 shall apply to transactions entered into between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company and such consolidated accounts are placed before the shareholders of the Company at the general meeting for approval (such transactions are hereinafter referred to as "**Exempted Transactions**").

### **5.3. Review and Approval of Related Party Transactions by Audit Committee**

All Related Party Transactions, including Material Related Party Transaction but excluding Exempted Transactions, will be put to the Audit Committee for its review and prior approval in a meeting or by way of circular resolution. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits/ loss to the Company, and any other relevant matters.

In determining whether to approve a Related Party Transaction, the Committee may consider all such factors/ or may call such information/ or seek external advice/ opinion as it may consider appropriate in its sole judgment.

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 considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary.

**6. Post facta consideration of Related Party Transactions**

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy, 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.

In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

**7. Disclosures**

7.1. This Policy will be disclosed on the Company's [www.aspiradiagnostics.com/](http://www.aspiradiagnostics.com/) and a web link thereto would be disclosed in the Annual Report of the Company.