

Version	02
Issue date	11.03.2025
Revision no.	1
Revision date	05.01.2026

Park Medi World Limited
(Formerly Park Medi World Private Limited)

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

1. Introduction

Provisions under the Companies Act, 2013 read with the Rules framed there under (hereinafter referred to as “**Companies Act/Act**”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as “**Listing Regulations**”) give significant emphasis to the Related Party Transaction (hereinafter referred to as “**RPT**”). In pursuance of this, the Board of Directors (hereinafter referred to as “**Board**”) of Park Medi World Limited (hereinafter referred to as “**Company**”) has adopted the Related Party Transaction Policy (hereinafter referred to as “**Policy**”) and procedures to ensure the proper the compliance with the Act and Listing Regulations.

2. Purpose

The Company acknowledges the fact that Related Party transactions can represent a potential conflict of interest which may prejudice the interest of the Company and its stakeholders.

Bearing in mind the pre-requisites for approval of RPTs under the Act and Listing Regulations, the Board has adopted this policy in relation to determining Materiality of a RPT(s) and on dealing with RPTs.

The purpose of the Policy is to ensure an effective system of checks and disclosure process to encourage transparency, adoption of best governance practices and that all RPT(s) are in the best interests of all the stakeholders.

3. Scope and Applicability

This Policy provides for the transactions with Related Parties in accordance with the provisions of extant provisions of the Listing Regulations.

4. Definitions

“**Arm’s Length Transaction**” shall mean a transaction between two Related Parties that is conducted as if they are unrelated, so that there is no conflict of interest.

“**Board of Directors**” or “**Board**” in relation to a Company, means the collective body of Directors of the Company (Section 2(10) of the Companies Act).

“**Key Managerial Personnel**” or “**KMP**” means personnel as defined in Section 2 of the Companies Act.

“Material Modifications” means any modification to the terms of a RPT or a Material RPT, which will significantly alter the (i) overall value of amount of the said RPT(s) by 10%, whether with respect to pricing or quantity or (ii) the fundamental nature or basis of the said RPTs such as change in kind of goods or services.

“Material Related Party Transactions” shall mean such transactions with a related party and such transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of the Company.

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 (5%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such other threshold as may be prescribed from time to time.

“Ordinary Course of Business” with reference to a transaction with a related party means a transaction which is: (i) carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time; (ii) historical practice with a pattern of frequency; (iii) common commercial practice; or (iv) meets any other parameters/criteria as decided by the Board/Audit Committee, from time to time.

“Related Party” shall be as per Regulation 2(1)(zb) of the Listing Regulations.

“Related Party Transactions” or **“RPTs”** shall mean all transactions between the Company and one or more Related Party(ies) including contracts, arrangements and transactions as prescribed in Section 188(1) of the Companies Act and/or Regulation 2(1)(zc) of Listing Regulations.

All the words and expressions used and not defined in this Policy, shall have meaning respectively assigned to them under the Listing Regulations or Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act or any other applicable laws for the time being in force and rules and regulations made thereunder as amended, from time to time.

5. Policy

All RPTs shall require prior approval of the Audit Committee. All Material RPTs and subsequent Material Modifications shall require prior approval of the Shareholders of the Company in accordance with this Policy. In dealing with RPTs, the Company will follow the below mentioned approach:

A. **Identification of Related party:**

The Company Secretary shall maintain a list of Related Parties as defined in Section 2(76) of the Act, read with the Companies (Specification of Definitions Details) Rules, 2014 and as per Regulation 2(1)(zb) of Listing Regulations:

- I. Each Director and Key Managerial Personnel shall disclose in Form MBP-1, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made, about all the persons, entities in which he or she is interested, whether directly or indirectly.
- II. Each Director and Key Managerial Personnel shall provide a declaration, at the time of his/her appointment, at the beginning of every financial year and whenever there is any change in the disclosure so made, providing details of:
 1. relatives;

2. firms in which such Director or his relative is a partner;
3. private companies in which a director or his relative is a member or director;
4. 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;
5. 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;
6. Other disclosures as may be required or deemed fit.

The Compliance Officer shall:

- i. Basis the declaration of Directors and KMPs, identify and keep on record in the form of an updated database the information pertaining to Related Parties;
- ii. At the beginning of the Financial Year and on any subsequent changes, identify and maintain information in the database about the Related Parties;
- iii. Update the database of Related Parties whenever necessary.

B. Identification of RPTs:

Each Director and KMP is required to give notice of disclosure of interest under section 184 and 189 of the Act along with list of relatives to the Company. The Company shall ensure that no transaction is entered into with any entity/ individual disclosed by the Director/ KMP without requisite approvals.

The Board/ Audit Committee will determine whether the transaction requires compliance with this policy or not.

The Compliance Officer would collate list of RPTs which are likely to be executed with each Related Party and estimated value of such transactions before the beginning of each Financial Year to obtain necessary approvals in accordance with this Policy.

C. Obligation related to Subsidiary Company/ies

The Subsidiary/ies of the Company, before entering into a RPT which may require approval of the Audit Committee & shareholders of the Company under this Policy, more specifically provided in Regulation 23 (2) & (4) of Listing Regulations, shall bring to the attention of the Company the details of the proposed RPT(s), so that the requisite approvals can be obtained in due course.

D. Procedure for Approval of RPTs:

a. Audit Committee approval

- i. All RPTs as mentioned below, shall require prior approval of the Audit Committee:

- RPTs of Company:

All RPTs and subsequent Material Modifications.

- RPTs of Subsidiary Companies

RPTs where a subsidiary of the Company is involved but the Company is not involved, prior approval from the audit committee of the Company is required if both the following conditions are satisfied:

- a. The value exceeds Rs.1 crore, and
- b. The value exceeds 10% of the annual standalone turnover of the respective subsidiary as per last audited financial statements or the materiality threshold of the Company under Schedule XII of Listing Regulations, whichever is lower.

RPT(s) of more than Rs.1 crore entered into by a subsidiary of the Company (where the Company is not a party) and the subsidiary does not have audited financial statements for at least one-year, prior approval of the Audit Committee of the Company shall be required if the transaction exceeds the lower of the following two thresholds:

1. 10% of the aggregate value of paid-up share capital and securities premium of the subsidiary, not earlier than the date which three months prior to the date of seeking approval of the Audit Committee; or
 2. Materiality threshold for the Company under Schedule XII of the Listing Regulations.
- ii. The approval of the Audit Committee can be granted by way of a circular resolution or at a meeting.
 - iii. The Audit Committee shall have the discretion to recommend/refer any matter relating to any RPT to the Board for its approval.
 - iv. Only those members of the Audit Committee, who are independent Directors, shall approve RPTs.
 - v. The Company shall, while placing any proposed RPT before the Audit Committee and Shareholders, if applicable, for review and approval, provide the information in the format specified in the Industry Standards on 'Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions' ("**ISN**") along with all the information as prescribed under the Act and the Listing Regulations.

The ISN shall not be applicable to:

- a. Transactions exempted under Regulation 23(5) of the Listing Regulations;
- b. Quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of Listing Regulations.
- c. Transaction(s) with a Related Party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) do not exceed rupees one crore.

b. Omnibus approval

Omnibus Approval shall be granted by the Audit Committee if following conditions are satisfied:

- Such RPTs are repetitive in nature (on cumulative basis);
- Such an approval is in the interest of the Company;
- Following information shall *inter alia* be provided to the Audit Committee while seeking 'Omnibus Approval' specifying:

- a. the name/s of the Related Party, nature of transaction, period of transaction, maximum number of transactions, in aggregate, that can be entered into in a year, maximum value per transaction which can be allowed;
- b. the indicative base price/current contracted price and the formula for variation in the price if any (for eg: +/- 5%);
- c. such other conditions as the Audit Committee may deem fit.

In case any RPT cannot be foreseen and the 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;

- The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approvals given;
- Such omnibus approvals shall be valid for a period not exceeding 1 (One) financial year and shall require fresh approvals after the expiry of such financial year.
- Omnibus approval granted by the shareholders for material RPTs in an Annual General Meeting (“AGM”) shall be valid till the date of the next (“AGM”) held within the timelines prescribed under Section 96 of the Companies Act, or rules, notifications, or circulars issued thereunder from time to time. However, in case of omnibus approvals for material RPTs, granted by shareholders in general meetings other than AGM, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

c. Board approval:

All transactions with a Related Party as prescribed under Section 188 of the Act, which are not in the ordinary course of business and not at arm’s length basis, shall require the approval of Board of Directors in its meeting.

In addition to the above, the approval of Board of Directors shall be required for Material RPTs, which are intended to be placed before the shareholders for their approval.

d. Shareholders’ approval:

- i. All the material RPTs shall be approved by the Shareholders by an ordinary resolution.
- ii. Subsequent Material Modifications as defined herein, shall require prior approval of the shareholders through resolution.
- iii. In addition to the above, all kinds of transactions specified under Section 188 of the Companies Act which (a) are not in the ordinary course of business and not at arm’s length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014, as may be amended from time to time, shall be placed before the shareholders for their approval.
- iv. For this purpose, all Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

As on the date of this policy, the thresholds provided under abovementioned Rules are as follows:

S. no.	Nature of Transaction	Thresholds prescribed under Companies Act
(i)	sale, purchase or supply of any goods or material, directly or through appointment of agent	10% or more of the turnover of the Company
(ii)	selling or otherwise disposing of or buying property of any kind, directly or through agent	10% or more of net worth of the Company
(iii)	leasing of property any kind	10% or more of the turnover of the company
(iv)	availing or rendering of any services, directly or through appointment of agent	10% or more of the turnover of the Company
<i>It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year</i>		
(v)	appointment to any office or place of profit in the Company, its subsidiary company or associate company	Monthly remuneration exceeding two and a half lakh rupees
(vi)	Underwriting the subscription of any securities or derivatives thereof, of the Company	Exceeding 1% of the net worth of the Company
<i>Explanation- The turnover or net worth referred hereinabove shall be computed on the basis of the audited financial statement of the preceding financial year.</i>		

E. Transactions not requiring approval:

The following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- a) Related Party Transactions to which the listed subsidiary of the Company, if any, is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of Listing Regulations are applicable to such listed subsidiary.
- b) Transactions entered into between two wholly owned subsidiaries of the Company, whose accounts are consolidated with Company and placed before the shareholders at the general meeting for approval.
- c) The transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- d) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- e) remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of regulation 23(1) of the Listing Regulations.

F. Ratification by the Audit Committee of the Company:

Pursuant to the provisions of Regulation 23 of the Listing Regulations read with third proviso to Section 177(4) of the Act, the members of the Audit Committee, who are independent directors,

may ratify RPTs 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:

1. 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;
2. the transaction is not material in terms of the provisions of Regulation 23(1) of Listing Regulations;
3. rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
4. the details of ratification shall be disclosed along with the disclosures of RPTs in terms of the Regulation 23(9) of Listing Regulations;
5. any other condition as specified by the Audit Committee:

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a party related to any director, key managerial personnel and promoters, or is authorised by any other director, key managerial personnel and promoters, the concerned director, key managerial personnel and promoters shall indemnify the Company against any loss incurred by it.

G. Disclosures:

- i. The details of RPTs, which are not in the Ordinary Course of Business and/ or not at Arm's Length, shall be disclosed in the Boards' Report along with a justification for entering into such transactions.
- ii. The Company shall also submit to the stock exchanges on half-yearly disclosures of RPTs in the format as specified by Stock Exchange Board of India ("SEBI") along-with publication of financial results.

6. Compliance

Every person associated with RPTs shall be accountable for compliance with this Policy. In case of breach of Policy, Audit Committee may initiate appropriate action against the person/s responsible.

7. Communication of the Policy

The Policy will be hosted on the Company's website.

8. Review

This policy shall be subject to review by the Board as may be deemed necessary or to meet any regulatory requirements.

9. Amendment

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 in this Policy and this Policy shall stand amended accordingly.