



Related Party Transaction Policy

1. Preamble

The Board of Directors (the “Board”) of Poly Medicure Limited (the “Company” or “POLYMED”), 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.

Related Party Policy is to regulate the transaction(s) between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Purpose

Related Party Policy is framed pursuant to the provisions of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and to ensure appropriate reporting of transactions between the Company and its Related Parties.

3. Definitions

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under Companies Act, 2013 and Listing Agreement.

“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” means Board of Directors of the Company

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

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer



“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.

“Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined in Clause 49 of the Listing Agreement which is as follows:

An entity shall be considered as related to the Company if:

(i) Such entity is a related party under Section 2(76) of the Companies Act, 2013; or(ii) Such entity is a related party under the applicable accounting standards."

“Related Party Transaction” means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

Explanation: A "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

4. Policy

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

- Each director and KMP is responsible for providing notice to the Board or Audit Committee of any prospective 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. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.
- Related Party Transactions shall require prior approval of the 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 the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
 - b) The Audit Committee shall satisfy itself 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) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

5. Review and Approval of Related Party Transactions

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 and any other relevant matters so as to enable the Committee whether to approve a Related Party Transaction or not.

The Committee will consider the following factors:

- i. Terms of the Related Party Transaction are on arms length basis and would apply on the same basis if the transaction did not involve a Related Party;
- ii. Compelling business reasons for the Company to enter into the Related Party Transaction;
- iii. Whether the Related Party Transaction would affect the independence of any independent director;
- iv. Is there is any conflict of interest for any Director or Key Managerial Personnel of the Company while taking into account the size of transaction

If the Committee decides that a Related Party Transaction should be brought before the Board or it is mandatory under any law for the Board to approve the Related Party Transaction, then the considerations set forth above shall also apply to the Board's review and approval of the matter.

Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the company.



6. Determination of Arm's Length Nature of the Related Party Transaction

(a) Price Determination

(i) Permissible methods of arms' length pricing as per Applicable Laws

(ii) If necessary, 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

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.

Signed Effective Date: 16.12.2014