

CIN:L85110TN1994PLC027366

## **POLICY FOR CONSIDERATION AND APPROVAL OF RELATED PARTY TRANSACTIONS**

### **1. Introduction**

Dr. Agarwal's Eye Hospital Limited (hereinafter referred to as AEHL or "The Company") recognizes that Related Party Transactions (as defined below) may have potential or actual conflicts of interest and may raise questions whether such transactions are consistent with the Company and its shareholders' best interests and in compliance to the provisions of the Companies Act, 2013 and clause 49 (Revised as on 15.09.2014) of the Listing Agreement.

### **2. About the Company**

AEHL was incorporated as a public limited company on April 22, 1994 and issued certificate of incorporation by the Registrar of Companies, Tamil Nadu, Chennai. AEHL was issued certificate for commencement of business pursuant to Section 149 (3) of the Companies Act, 1956 on July 12, 1994 by the Registrar of Companies, Tamil Nadu, Chennai. The registered office of AEHL is situated at 3<sup>rd</sup> floor, Buhari Towers, No. 4, Moores Road, Chennai – 600006. AEHL is primarily engaged in running, owning and managing eye care centres/ hospitals spread across India. Currently the AEHL is presently operating about 22 (twenty two) eye centres/ hospitals across India.

### **3. Scope and purpose of the Policy**

The Board of Directors of the Company has adopted the following policy and procedures with regard to Related Party Transactions. The Audit Committee will review and may amend the policy as and when required subject to approval of the Board. The objective of this policy is to regulate transactions between the Company and its Related Parties as determined based on the Companies Act, 2013, Listing Agreement and any other laws and regulations as may be applicable to the Company.

### **4. Definitions**

#### **4.1 .Act:**

"Act" means the Companies Act, 2013 including any amendment or modification thereof.

#### **4.2 .Arms' Length Transaction:**

"Arms' Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated.

#### **4.3 .Associate:**

"Associate" means a company as defined under section 2(6) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements".

#### **4.4 .Audit Committee: "Audit Committee" means the Committee of the Board formed under section 177 of the Act and Clause 49(III) of the Listing Agreement.**

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**4.5 .Body Corporate:**

“Body Corporate” means an entity as defined in Section 2(11) of the Companies Act, 2013.

**4.6 .Clause 49:**

“Clause 49” means the Clause 49 of the Listing Agreement, as entered into by the Company with the stock exchanges including any amendment or modification thereof.

**4.7 .Company:**

“Company” means Dr. Agarwal’s Eye Hospital Limited.

**4.8 .Director:**

“Director” means a person as defined in Section 2(34) of the Companies Act, 2013.

**4.9 .Employees:**

“Employees” shall mean the employees and office-bearers of the Company, including but not limited to Whole Time Directors.

**4.10.Key Managerial Personnel:**

“Key Managerial Personnel” shall mean the officers of the Company as defined in Section 2(51) of the Companies Act, 2013 and rules prescribed thereunder.

**4.11.Material Related party Transactions:**

“Material Related Party Transactions” shall mean a transaction as defined as material in Clause 49(VII)(C) of the Listing Agreement or any other law or regulation including any amendment or modification thereof, as may be applicable.

**4.12.Ordinary course of business:**

“Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

**4.13.Relative:**

“Relative” with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.

**4.14.Related party:**

“Related Party” means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act and Clause 49(VII) (B) of the Listing Agreement.

**4.15.Related party transactions:**

“Related Party Transactions” shall mean such transactions as specified under Section 188 of the Act or rules made thereunder and Clause 49(VII)(A) of the Listing Agreement including any amendment or modification thereof, as may be applicable.

**4.16.Subsidiary:**

**4.17**“Subsidiary” means a company as defined in Section 2(87) of the Companies Act, 2013.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contract Regulation Act or any other applicable law or regulation.

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## **5. Related party transactions under the policy**

**5.1** Any transfer of resources, services or obligations between the company and a related party, would get covered as a 'Related Party Transaction'.

### **5.2 Permitted Related party transactions**

Any transaction with a Related Party can be undertaken only if it is in compliance with the law.

### **5.3 Approval Process**

The Company will enter into any Related Party Transactions only with the prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for the proposed Related Party Transaction subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting 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 satisfies itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c. Such omnibus approval shall specify the following:
  - Name(s) of the Related Party;
  - Nature of the transaction;
  - Period of transaction;
  - Maximum amount of transaction that can be entered into;
  - and;
  - such other conditions as the Audit Committee may deem fit.
- d. In such cases where the need for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1.00 crore per transaction;
- e. 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 approval given;
- f. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. The Audit Committee will have the discretion to recommend / refer any matter relating to the Related Party Transaction to the Board for the approval. In the case of Material Related Party Transaction, the approval of the shareholders by way of special resolution is also required irrespective of the fact whether the transaction, contract or arrangement is in the ordinary course of business or at arm length or both and the Related Party shall abstain from voting on such resolutions.

## **6. Disclosure by Directors/ KMPs**

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- All Directors/ KMPs are required to disclose the parties in which they or their relatives are or deemed to be interested, in the prescribed form.
- Each Director and KMP of the Company shall promptly notify the Company Secretary of any material transaction or Relationship that could reasonably be expected to give rise to any conflict of interest.
- The Company shall maintain Register in the prescribed form.
- The company shall disclose the policy on dealing with Related Party Transactions on its website and a weblink thereto shall be provided in the Annual Report.
- Details of all material transactions with related parties shall be disclosed, quarterly in the Compliance Report on Corporate Governance., as required under listing agreement as and when it applies.

**6.1 . Disclosure by Directors and KMPs of Related Party Transaction entered with the company Each Director and KMPs of the Company**

Each Director and KMPs of the Company is responsible for providing declaration/ notice in the prescribed Form to the Company Secretary about their interest in other entities, including any potential Related Party Transaction involving the Company and him or her or an entity wherein he / she or his / her relative is interested, including any additional information about the transaction that the Company Secretary may reasonably request. The Company Secretary in consultation with the management and an independent counsel, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

**7. Consequences of non-compliance of such policy for any Related party transaction**

Non-compliance of this Policy may lead to initiation of disciplinary proceedings against the employee. Details of such disciplinary proceedings will form part of the personal file of such employee and will be considered as a default on his or her key responsibilities.

The above would be over and above the prescribed penal consequences under Companies Act, Listing Agreement, Securities Contract Regulation Act, 1956 or the employee standing order of the Company.

**AMENDMENT TO THE POLICY:**

The Board of Directors on its own and / or as per the recommendations of the Audit Committee can amend this Policy, as and when deemed fit. 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 hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc...