

# **APOLLO HOSPITALS ENTERPRISE LIMITED**

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## **Policy on Related Party Transactions**

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## **1. Introduction**

This policy has been adopted by the Board of Directors of Apollo Hospitals Enterprise Ltd (“the Company”), on the recommendation of the Audit Committee of the Company, to ensure high standards of Corporate Governance while dealing with Related Party (ies) (as defined below).

This policy shall be guided by the Framework Governing Related Party Transactions and has been drafted with an objective of ensuring compliance with the provisions pertaining to Related Party Transactions in the Companies Act, 2013(the Act) and with the Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively known as “Regulations”).

## **2. Purpose**

Related Party Transactions (“RPTs”) are appropriate if they are in the interest of the Company and its stakeholders. The purpose of the RPT Policy is to authorize, monitor, regulate and report contracts, arrangements and transactions between the Company and a Related Party.

This Policy lays down the process to be adopted by the Company for identification of the Related Parties, approval of the RPTs and any subsequent modification thereof. The Policy also lays down the reporting requirements of RPTs. The RPT Policy is prepared to comply with the Regulations.

## **3. Scope and Applicability**

This Policy applies to all the transactions of the Company with its Related Parties including changes, if any, in such Related Parties from time to time. This policy also defines the on materiality of Related Party Transactions in accordance with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Policy has been adopted by the Board of Directors based on recommendations of the Audit Committee.

#### 4. Definitions

For the purpose of this policy, the following definitions shall apply:

**“Act”** means the Companies Act, 2013 including any amendments and modification made thereunder to the Act;

**“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.

**“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**“Board of Directors or Board”** means the collective body of the Directors of the Company including Committees of the Board wherever authorized by the Board.

**“Chief Executive Officer (CEO)”** means an officer of a company, who has been designated as such by it as defined under Section 2(18) of Companies Act, 2013.

**“Chief Financial Officer (CFO)”** means a person appointed as the Chief Financial Officer of the Company as defined under Section 2(19) of Companies Act, 2013.

**“Company Secretary (CS) or Secretary”** means a Company Secretary as defined in Clause (c) of Sub-section (1) Section 2 of Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company Secretary and as defined under Section 2(24) of the said Act.

**“Key Managerial Personnel (KMP)”**, in relation to a company shall have the meaning as defined under Regulation 2(1)(o) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 2(51) of the Companies Act, 2013, each as amended from time to time and includes any person so authorized and designated by the Board of Directors of the Company as KMP.

**"Material Modification"** in relation to a Related Party Transaction shall mean any modification which (a) results in an increase or decrease of fifteen percent (15%) or more in the approved value or exposure under such Related Party Transaction, as originally approved by the Audit Committee and/or the Board and/or the shareholders, as the case may be; or (b) significantly alters the fundamental nature, risk profile or commercial terms of the Related Party Transaction such that it may cease to be in the Ordinary Course of Business and/or on Arm's Length basis. Where a modification is not quantifiable in monetary terms, the Audit Committee shall, having regard to the facts and circumstances of the case, determine whether such modification is a Material Modification.

**"Material Related Party Transactions"** will have the same meaning as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/ or such limits as may be prescribed either in the Act.

**"Managing Director"** means Managing Director as defined in Section 2(54) of the Act.

**"Ordinary Course of Business"** means a transaction which: (i) is 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; or (ii) is in connection with the normal business carried on by the Company, having regard to the nature of its main and ancillary revenue-generating activities; or (iii) is consistent with a historical pattern and frequency of similar transactions undertaken by the Company; or (iv) results in income which is assessed as business income of the Company; or (v) is in line with common commercial practice applicable to the industry in which the Company operates; or (vi) meets such other parameters/criteria as may be laid down by the Board / Audit Committee from time to time in accordance with applicable law and industry practices;

**“Ratification”** means post facto approval of (i) a Related party or (ii) Subsequent Material Modification in terms of Related Party Transactions already approved by the Audit Committee of the Board of Directors or Board of Directors or by any other authority in force.

**“Regulations”** shall have the meaning attributed to it in Clause 1 of the Introduction.

**“Relative”** in relation to a Related Party shall have the same meaning assigned to in Section 2(77) of the Companies Act, 2013.

**“Related Party”** will have the same meaning as defined under Section 2(76) of the Act, Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable Accounting Standard, presently Indian Accounting Standard (Ind AS) 24 – Related Party Disclosures, as amended from time to time.

Reference and reliance may be placed on clarifications, guidance and interpretations issued under the Act, SEBI Listing Regulations and such Accounting Standard

**“Related Party Transactions (RPT)”** shall have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended, and shall mean a transaction involving a transfer of resources, services or obligations between:

- a. the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand;
- b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023 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.

Following shall not be considered Related Party Transaction of the Company in terms of SEBI Listing Regulations:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. subdivision or consolidation of securities;
  - iii. issuance of securities by way of a rights issue or a bonus issue; and
  - iv. buy-back of securities.
- (c) Retail purchases from the Company or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

**“RPT Industry Standards”** means Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction” formulated by Industry Standards Forum (“ISF”) comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, in consultation with SEBI.

**“Transaction”** shall be construed to include single transaction or a group of transactions in a contract.

**“Whole-time Director”** means Whole-time Director as defined in Section 2(94) of the Act.

Any words / terms used in the Policy but not defined herein, unless repugnant, shall have the same meaning ascribed to it, in the Act or rules made thereunder, the SEBI LODR, the Indian Accounting Standards or any other relevant legislation / law applicable to the Company.

## **5. Policy**

The objective of the Policy is to set out (a) the materiality thresholds for related Party transactions (b) manner of dealing with the transactions between the company and its related party.

The RPT Policy will be reviewed, approved and amended from time to time by the Audit Committee and the Board of Directors of the Company, subject to review of at least once in every three years or as and when there is an amendment under the Act of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

### **5.1 Identification of Related Parties and Related Party Transactions**

The Company has formulated guidelines for identification and updating the list of related parties at regular intervals.

On an annual basis, the CS shall request a disclosure of Related Parties from each Director and each KMP within the meaning of Section 2(76), section 184 of the Act and under Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the prescribed format and in case of any change, the same would be notified to the Company Secretary.

The Company Secretary shall determine and assess whether the transactions constitute a potential Related Party Transaction or not. Such identified transactions shall be taken up for further evaluation, monitoring and requisite compliance.

### **5.2 Approval and review of Related Party Transactions**

The Company prefers to receive notice of any potential Related Party Transaction(s) in advance from relevant stakeholders, so that the Audit Committee / Board have sufficient time to review information regarding the proposed Transaction.

### 5.2.1 Materiality Threshold as specified in Schedule XII of the SEBI LODR Listing Regulations.

The Board of Directors has adopted the materiality thresholds for Related Party Transactions as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, beyond which approval of the shareholders by way of a resolution shall be required

Any transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the following with effect from December 19, 2025:

<b>Consolidated Turnover of Listed Entity Threshold</b>	<b>Threshold</b>
Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual Consolidated turnover of the listed entity above ₹20,000 Crore
More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual Consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores whichever is lower.

- a. 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.

### 5.2.2 Audit Committee

(a) All Related Party Transactions and subsequent material modifications of the listed entity shall be prior approved by the Audit Committee whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 along with Rules made thereunder, or by Secretarial Standards, or as per Listing Regulations. Prior approval of the Audit Committee shall also be required for the following Related Party Transactions:

(b) a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the company is a party but the company is not a party, shall require prior approval of the audit committee of the company if the value of such transaction, exceeds the lower of the following:

- i. Ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
- ii. The threshold for material related party transactions of listed entity as specified in Schedule XII of the Listing Regulations.

(c) In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the company is a party but the company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the company shall be obtained if the value of such transaction exceeds the lower of the following:

- i. ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
- ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of the Listing Regulations:

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

(d) prior approval of the audit committee of the company shall not be required for a related party transaction to which the listed subsidiary 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.

(e) 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 approval of the audit committee provided that the same is not material in terms of the limit of materiality as stated above.

(f) The members of the audit committee, who are independent directors, may ratify 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:

- a. 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;
- b. the transaction is not material in terms of clause 5.2.1
- c. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification

- d. The details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Regulation 23(9) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015
  - e. Any other condition as specified by the audit committee
- (g) These conditions shall not be applicable for transactions between the listed entity and wholly owned subsidiary and between two wholly owned subsidiaries of such listed entity as mentioned in clause 5.8.

### **5.2.3 Minimum Information to be reviewed by the Audit Committee for approval of RPTs**

To review the Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant/applicable, with respect to actual or potential Related Party Transactions and/or prescribed under the Act (including secretarial standards) and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time read with relevant guidelines, and circulars issued by SEBI or applicable Stock Exchanges.

While considering any Related Party Transaction, the Audit Committee shall take into consideration the minimum information required for approval as per the Revised Industry Standards.

The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

### **5.2.4 Omnibus Approval**

The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the company or subsidiary subject to the following conditions namely:

- i. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions shall be applicable in respect of transactions which are repetitive in nature.
- ii. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
- iii. While according to omnibus approval, the Audit Committee shall specify the following:
  - a. the name(s) of the Related Party,
  - b. nature of the Transaction,
  - c. period of the Transaction,
  - d. maximum amount of Transactions that shall be entered into,
  - e. the indicative base price/current contracted price and the formula for variation in the price if any; and
  - f. such other conditions as the Audit Committee may deem fit:

Such omnibus approval shall inter alia, specify the criteria, period, base price/variation formula, percentage of the annual consolidated turnover etc., as envisaged in the Industry Standards / SEBI LODR Regulations

- iv. In the event the need for Related Party Transaction 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 a sum of rupees one crore per Transaction.
- v. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the listed entity pursuant to each or its subsidiaries of the omnibus approvals given.

- vi. Such omnibus approvals granted by the shareholders for material related Party Transactions in an Annual General Meeting shall be valid till the date of next Annual General Meeting held in accordance with Section 96 of Companies Act, 2013. Where such approval is obtained at any meeting of the shareholders other than an Annual General Meeting, the validity of such approval shall be for a period of one (1) year from the date of obtaining such approval, unless otherwise specified in the resolution.
  
- vii. Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:
  - 1. Transactions which are not at arm's length or not in the ordinary course of business;
  - 2. Transactions which are not repetitive in nature;
  - 3. Transactions exceeding materiality thresholds as laid down in the Policy
  - 4. Transactions in respect of selling or disposing of the undertaking of the company
  - 5. Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties.
  - 6. Any other transaction as the Audit Committee may deem not fit for omnibus approval.

### **5.3 Consideration and approval of the Board of Directors**

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matters or it is mandatory under any law for the Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction. The considerations set forth above, under Paragraph 5.2.3, shall apply to the review and approval of the matter by the Board of Directors, with

such modifications as may be necessary or appropriate under the circumstances.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction.

#### **5.4 Voting at Board/Committee meetings**

Any member of the Audit Committee or the Board who has a potential conflict of interest in any Related Party Transaction (i) shall not be present during the discussion of the said Related Party Transaction at the meeting; and (ii) shall abstain from voting for the approval of such Related Party Transaction.

#### **5.5 Approval of the Shareholders of the Company**

Approval of the shareholders by way of a resolution, as prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be required in the following scenarios:

- (i) All the Material Related Party Transactions of the Listed entity and its subsidiaries, including any Material Modification to such Material Related Party Transactions, other than those mentioned in clause 5.8.
- (ii) Related Party Transactions, with the Related Parties which are not in the ordinary course of business or not at Arm's Length basis and which are beyond the limits specified in sub-rule (3) of rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

While considering any Related Party Transaction, Shareholders shall take into consideration the minimum information required for approval as per the Revised Industry Standards.

#### **5.6 Non-applicability of Industry Standard Forum (ISF)**

The applicability of minimum information to the Audit Committee or shareholders

for approval of RPTs does not arise if the value of transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the Company as per the last audited financial statements of the Company or Rupees Ten Crore, whichever is lower.

### **5.7 Voting on Related Party Transactions at shareholder meeting**

- (i) In respect of Material Related Party Transactions that require the approval of the shareholders, all entities falling under the definition of Related Parties shall not vote to approve on the item of agenda in the notice relevant to the Transaction irrespective of whether the entity is a party to the particular Transaction or not.
- (ii) In respect of a Related Party Transaction that requires the approval of the shareholders by reason of it being not in the Ordinary Course of Business or not at Arm's Length Basis, the Related Party to the said Transaction shall not vote to approve on the item of agenda in the notice relevant to the Transaction.

### **5.8 Exclusions:**

The approval of the Audit Committee or Board or shareholder of the company is not required for the following cases except to the material transaction with respect to brand usage or royalty :

- a. Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval
- b. Transactions entered into between two wholly owned subsidiaries of the listed holding company, whose accounts are consolidated with such

holding 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 an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand

For the avoidance of doubt, where a subsidiary of the Company is itself a listed entity and Regulations 23 and 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are applicable to such listed subsidiary, prior approval of the Audit Committee and/or shareholders of the Company shall not be required for Related Party Transactions of such listed subsidiary to which the Company is not a party, to the extent such transactions are undertaken in compliance with the said Regulations by such listed subsidiary.

The exemptions specified in this Policy shall be strictly limited to those transactions in respect of which approvals of the Audit Committee, Board or shareholders are not required under the Act and/or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

#### **5.9 Effect on Related Party Transaction 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 Audit Committee and the Audit Committee shall consider all relevant facts and circumstances regarding the Related Party Transaction and evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

If any Related Party Transaction which is required to be approved under this Policy or under applicable law is entered into without such prior approval and is not ratified by the Audit Committee and/or the Board and/or the shareholders, as the case may be, within the period prescribed under applicable law, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, the shareholders, and if the contract or arrangement is with a Related Party to any Director, or is authorized by any other Director, the Director(s) concerned shall indemnify the Company against any loss incurred by it.

In such cases, the Audit Committee shall also examine the facts and circumstances leading to the failure of reporting such Related Party Transaction and the adequacy and effectiveness of the internal controls relating to identification and approval of Related Party Transactions, and may direct the management to strengthen internal controls and processes, as it may deem appropriate.

#### **5.10 Deemed approval**

The transactions or arrangements which are specifically dealt with in terms of specific provision(s) of the applicable laws and executed under separate procedures/ approvals mechanism shall not be required to be approved under this Policy, including but not limited to the following:

- a. Appointment of directors/Key Managerial Personnel/Senior Managerial personnel of the company/subsidiary/associate
- b. 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, shall not require approval of the audit committee provided that the same is not material transaction.
- c. Corporate actions initiated by the company where all security holders including related party receives benefit on pro-rata basis, such as:
  - the issue of specified securities on a preferential basis, subject to

compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

- Payment of dividend by the Company
- Subdivision or consolidation of securities by the Company
- Issuance of securities by way of a rights issue or a bonus issue and
- Buy-back of securities

## **6 Disclosure and Reporting**

Appropriate disclosures as required under the Act and the SEBI LODR will be made in the Annual Report and to the Stock Exchanges.

The policy shall be published on Apollo Hospitals Enterprise Ltd website [www.apollohospitals.com](http://www.apollohospitals.com) and web link of the policy shall be disclosed in the Company's Annual Report.

## **7 Compliance with the RPT Policy**

- Every person associated with RPTs shall be accountable for complying with this RPT Policy that may be in force from time to time.
- A Director or KMP or any other employee, who had entered into or authorized the contract or arrangement in violation of the RPT Policy and RPT Framework shall be deemed guilty of non-compliance.

In case of breach of this Policy, the Audit Committee and/or Board of Directors may initiate appropriate action against the person responsible.

## **8 Administrative Measures**

The Audit Committee of the Company, subject to supervision of the Board, shall interpret and administer this Policy. They shall also be the Competent Authority for investigating and taking appropriate actions / steps for prevention or remedy of any breach and / or defaults in complying with this Policy. Any disciplinary action taken by the Audit Committee shall be in addition to the penal provisions of the Regulations.

## **9 Amendment in Law**

Any subsequent amendment/modification in the Regulations shall automatically apply to this Policy.

## **10 Whistle blower mechanism**

Any officer or employee can avail of the vigil mechanism to report a fraudulent related party transaction or any transaction which is not in line with this Policy.

\*\*\*\*\*End of Policy\*\*\*\*\*