Paras Healthcare Limited

Policy on materiality of Related Party Transactions[1]

[1] Approved by the Board of Directors in their meeting held on November 05, 2026

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

I. OBJECTIVE AND INTRODUCTION

This policy is framed and approved by the Board of Directors of Paras Healthcare Limited ("the Company") pursuant to the requirements of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), Section 188 of the Companies Act, 2013 (hereinafter referred to as "Act") read with Rules made there under, as amended and re-enacted from time to time and any other relevant provisions of the Act, as applicable

The objective of this policy is to ensure the proper approvals and reporting of transactions between the Company and/or its subsidiaries and related parties as determined under the Listing Regulations and the Act and any other laws and regulations as may be applicable to the Company.

II. DEFINITIONS

"Act" means Companies Act, 2013 and rules made thereunder, clarifications and guidelines issued and amended by the Ministry of Corporate Affairs, from time to time.

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

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company under the Listing Regulations and under Section 177 of the Act, amended and re-enacted from time to time.

"Board" means Board of Directors of the Company.

"Key Managerial Personnel" means Key Managerial Personnel of the Company as defined under Section 2(51) of the Act.

"Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment(s) or modification(s) or circular(s) or notification(s) issued thereunder.

"Material Related Party Transaction" –

a) A transaction with a related party shall be considered material, if the transaction(s)to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII to the Listing Regulations, or any other limit/threshold as may be amended, modified, or prescribed under the Listing

Regulations and applicable to the Company from time to time.

b) 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 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

"Material Modification" shall mean any modification to the Related Party Transaction, as originally approved by the Audit Committee and/or shareholders (in case of a material related party transaction), individually or taken together with previous modifications during a financial year, resulting in variation in the value, by at least 20% (Twenty percent) of the originally approved transaction or Rs. 1 Crore whichever is higher.

"Policy" means Policy on materiality of related party transactions and on dealing with Related Party Transactions.

"Related Party" has the meaning as assigned to it under Section 2(76) of the Act and under the Listing Regulations.

"Related Party Transaction or RPT" has the meaning ascribed to it under the Act and under the Listing Regulations.

"Relative" means relative as defined under Section 2(77) of the Act and the Companies (Specification of Definitions Details) Rules, 2014.

III. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each Director and Key Managerial Personnel (KMP) is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him/her or his/ 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. Each Director and Key Managerial Personnel (KMP) shall issue General Notice of Disclosures of their interest to the Company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

On the basis of criteria prescribed under the Act and the Listing Regulations, and the declarations/disclosures received from the Director(s) and Key Managerial Personnel(s) of the Company, the list of related parties, including the shareholder(s) holding prescribed 10% shareholding at any time during the preceding accounting year, shall be compiled at the end of every financial year and updated from time to time.

IV. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

A. Audit Committee

- All Related Party Transactions and their subsequent material modifications shall require prior approval of the Audit Committee. The Audit Committee shall consider all relevant factors while deliberating the RPTs for its approval.

- Any member of the Committee who has a potential interest in any RPT will recuse himself and abstain from discussion and voting on the approval of the RPT. Only those members of the audit committee, who are independent directors, shall approve related party transactions.

- A Related party transaction above rupees one crore, whether entered into individually or taken together with the 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 Audit Committee of the Company if the value of such transaction, exceeds the lower of the following:
  i) the threshold for material related party transactions of the Company as specified in Schedule XII of the Listing Regulations;
  ii) ten percent of the annual standalone turnover of the subsidiary, as per the last audited financial statements of the subsidiary.

- 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 the Company 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.

  However, prior approval of the Audit Committee of the Company shall not be required for a related party transaction to which the listed subsidiary, if any, of the Company is a party, but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of the Listing Regulations are applicable to such listed subsidiary.

  In case of related party transactions of unlisted subsidiaries of a listed subsidiary, if any, as referred to in above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

- 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:
  i) 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;
  ii) the transaction is not material in terms of the provisions of Regulation 23(1) of the Listing Regulations;
  iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
  iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Regulation 23(9) of the Listing Regulations;
  v) 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 related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

  The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the Company or its subsidiaries subject to the following conditions:

  a) The Audit Committee shall lay down the criteria for granting 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 regarding 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;
     (iii) such other conditions as the Audit Committee may deem fit; and
     (iv) any other factor / criteria as may be prescribed under the Act and/or Listing Regulations and/or other applicable law including but not limited to any guidelines or circulars or notes issued thereunder.

  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) Omnibus approval shall not be made for Transactions in respect of selling or disposing of the undertaking of the Company.

e) Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given.
f) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

- In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

- All the related party transactions shall be disclosed as per the Listing Regulations.

B. Board of Directors

- In case any RPTs are referred by the Audit Committee to the Board for its approval due to the transaction being (i) not in the ordinary course of business, and/or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to the terms of the transaction as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will recuse himself/herself and abstain from discussion and voting on the approval of the related party transaction.
- All Material Related Party Transactions which are subject to the approval of the shareholders of the Company, shall require prior approval of the Board at a meeting thereof.

C. Shareholders

- Any RPT which (i) is a material related party transaction including subsequent material modification with a related party, and/or (ii) is not in the ordinary course of business, and/or (iii) not at arm's length price and exceeds the materiality thresholds prescribed under Schedule XII of the Listing Regulations and the Act, shall require prior shareholders' approval. No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

  Provided that prior approval of the shareholders of a 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.

  For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Act or rules, notifications, or circulars issued thereunder from time to time.

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

D. Exemptions

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

i) 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 Listing Regulations.

ii) any transactions entered into between the Company and its wholly-owned subsidiary whose accounts are consolidated with the Company and placed before the Shareholders at the General Meeting for approval.

iii) any transactions entered into between two wholly-owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

iv) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

V. DISCLOSURE OF POLICY AND RELATED PARTY TRANSACTION

(i) Particulars of Related Party Transactions shall be disclosed to the Stock Exchanges in such manner as may be prescribed under Listing Regulations and/or the Act (including rules made thereunder) on a half yearly basis and the same shall be published on the Company's website.

(ii) This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

VI. REVIEW, LIMITATION AND AMENDMENT

The Board of Directors shall review this Policy atleast once in every three years in accordance with any regulatory amendments.

In the event of any conflict between the Act and Listing Regulations or any other statutory

enactments ("Regulations") and the provisions of this policy, the Act and/or the Regulations shall prevail over this policy.

Any subsequent amendment/modification in the Regulations, in this regard shall automatically apply to this policy.