

RELATED PARTY TRANSACTION POLICY

PURPOSE OF THIS POLICY:

- A. **WARDWIZARD HEALTHCARE LIMITED (FORMERLY KNOWN AS AYOKI MERCANTILE LIMITED)** is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India ("SEBI"). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.
- B. This policy is framed as per the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the requirements of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter 'Listing Regulations') and intends to ensure proper approval, reporting and disclosure of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose the transactions with Related Parties in compliance with the Listing Regulations, Act and Accounting Standards.
- C. The Board of Directors of the Company on recommendation of the Audit Committee of the Company shall review the Policy once in three years and may amend the same from time to time.

DEFINITIONS:

"Act" shall mean the Companies Act, 2013 and includes any amendment thereof.

"Arm's Length Transactions" means a transaction between two Related Parties that is conducted as if they were unrelated.

"Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under the provisions of Listing Regulations and / or the Companies Act, 2013.

"Board" means Board of Directors of the Company.

"Director" means a Director on the Board of Directors of the Company.

"Key Managerial Personnel" means key managerial personnel as defined under the Act and includes:

- (i) Managing Director, or Chief Executive Officer or Manager or Whole-time Director;
- (ii) Company Secretary and
- (iii) Chief Financial Officer

"Material Related Party Transaction"

As per Listing Regulations, 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower."

Notwithstanding the above, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered Material Related Party Transaction(s), if such Related Party Transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Material Modifications in Related Party Transactions:

Material Modification means 10% of change over the material related party transaction as defined in the SEBI Regulations. The Audit Committee is empowered to make necessary amendment relating to such percentage, as and when deem necessary.

“Policy” means Related Party Transaction Policy

“Related Party” means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act, rules prescribed thereunder or under the applicable accounting standard and Regulation 2(1)(zb) of Listing Regulations, including the following:

- (a) any person or entity forming a part of the promoter or promoter group of the company; or
- (b) any person or any entity, holding equity shares of 10% or more

in the company either directly or on a beneficial interest basis as provided under section 89 of the Act at any time, during the immediately preceding financial year.

“Related Party Transaction” (‘RPT’) means a transaction involving a transfer of resources, services or obligations between the Company or any of its subsidiaries and a related party of the Company or any of its subsidiaries, regardless of whether a price charged, including but not limited to the following:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) appointment to any office or place of profit in the Company, its subsidiary company or associate company;
- (g) underwriting the subscription of any securities or derivatives thereof, of the Company.
- (h) such other transactions as may be specified in the Act or Listing Regulations.

The same is also to include transactions between 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.

A transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Further, the transactions specifically excluded under the Act or Listing Regulations shall not be considered as related party transactions.

Provided that the following shall not be a related party transaction:

(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 by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

- i. payment of dividend;
- ii. sub-division 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) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same alongwith the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

“Relative” means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if –

- i. They are members of a Hindu Undivided Family;
- ii. They are husband and wife; or
- iii. Father (including step-father)
- iv. Mother (including step-mother)
- v. Son (including step-son)
- vi. Son’s wife
- vii. Daughter
- viii. Daughter’s husband
- ix. Brother (including step-brother)
- x. Sister (including step-sister)

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS:

Each Director and Key Managerial Personnel are responsible for providing notice to the Board or Audit Committee of any potential 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. The Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION:

Review Related Party Transaction

To review a Related Party Transaction, 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, the benefits to the Company and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Executive Officer or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- (i) Any transaction that involves the providing of compensation to a Director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

- (ii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

Approval of related party transactions

A. Audit Committee

1. All the transactions which are identified as Related Party Transactions and subsequent modifications thereof, shall be pre-approved only by Independent Directors, who are members of the Audit Committee in the manner specified under the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval
2. Any member of the Committee who has a potential interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.
3. The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
4. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.
5. A related party transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.
6. A related party transaction to which the subsidiary of a 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 (whether entered into individually or taken together with previous transactions during a financial year) exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary of the Company;
7. Prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary of the Company is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of these regulations are applicable to such listed subsidiary of the Company.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (7) above, the prior approval of the audit committee of the listed subsidiary shall suffice.

8. 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(ies), 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, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

- (d) 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.
- (e) 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.

9. Prior approval of the Audit Committee as aforesaid shall not be required to any related party transaction entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis. "In the ordinary course of business" means all such acts and transactions undertaken by the Company, including but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, in the normal routine in managing trade or business and is not a standalone transaction. The Company shall take into account the frequency of the activity and its continuity carried out in a normal organised manner for determination of what is in the ordinary course of business.

B. Board of Directors

In case any related party transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, 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 transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction.

C. Shareholders

If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds

prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

The provisions of regulation 23(2), (3) and (4) shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

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 Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

REPORTING OF RELATED PARTY TRANSACTIONS:

Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement

The details of all transactions with related parties shall be submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party.

The financial statements should contain disclosures relating to Related Parties as required by Indian Accounting Standard.

LIMITATION AND AMENDMENT:

In the event of any conflict between the provisions of this Policy and of the Act or Listing Agreement or any other statutory enactments, rules, the provisions of such Act or Listing Agreement or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Agreement, Act and/or applicable laws in this regard shall automatically apply to this Policy.

Policy Adoption / Change Effective Date	Particulars of the Adoption / Change	Board Approval Date
August 31, 2023	Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021	August 31, 2023