



## **SAHAJANAND MEDICAL TECHNOLOGIES LIMITED**

### **POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS**

<b>Name</b>	Policy on Materiality of and dealing with Related Party Transactions
<b>Approval Date</b>	May 29,2025    February 11, 2026
<b>Version</b>	Version 2
<b>Effective date of the Policy</b>	May 29,2025



## 1. Introduction:

The Board of Directors ("**the Board**") of Sahajanand Medical Technologies Limited ("**the Company**") have adopted this Policy on Materiality of and dealing with Related Party transactions ("**Policy**") in accordance with the Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("**Listing Regulations**").

## 2. Objective:

The Objective of this Policy is to establish thresholds for determining materiality of the Related Party Transactions ("**RPTs**") and material modifications thereto, as well as to lay down principles for dealing with RPTs in the Company. The Policy aims to ensure that any potential conflict of interests are avoided and that all RPTs are entered keeping in mind the best interest of the Company and its stakeholders.

## 3. Applicability:

This Policy applies to every part of Sahajanand Medical Technologies Limited's ("**the Company**") business and functions.

## 4. Definitions:

**4.1 Audit Committee or Committee** means the committee constituted by the Board of the Company as per provisions of the Act and the Listing Regulations.

**4.2 Related Party:** Related Party means a related party as defined under section 2(76) of the Companies Act, 2013 ("**Act**"), Regulation 2(1)(zb) of Listing Regulations or under the applicable accounting standards.

**4.3 Related Party Transaction:** Related Party Transaction means related party transaction as defined under Regulation 2(1)(zc) of the Listing Regulations and section 188 (1) read with rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 of the Act.

**4.4 Materiality of RPTs:** 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 following thresholds:

- In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% (five percent) of the annual consolidated turnover of the Company as per its last audited financial statements;
- In case of any other transaction(s), if the amount exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements.



**4.5 Material Modifications:** means any modification made in the value/exposure of any ongoing Related Party Transaction, as originally approved by the Audit Committee and/or Shareholders, resulted into any of the following:

- a) The terms of the transaction cease to be arms' length or Ordinary course of business;
- b) Substantial change in agreed terms and conditions of the contract;
- c) Any variation of 20% over and above the originally approved limit for RPTs.

**4.6 Arm's Length Basis:** Transaction will be treated on 'Arm's Length Basis' if the commercial and key terms are comparable and are not materially different with similar transactions with non-related parties.

**4.7 Ordinary course of business:** 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.

## **5. Dealing with Related Party Transactions:**

**5.1** All RPTs shall be in compliance with the applicable provisions under the Act and the Listing Regulations.

**5.2** All RPTs shall be entered on Arms' length Basis and in Ordinary course of business and in case the same is not applicable, the Management shall provide a detailed justification for entering into such transactions, including the specific benefits that the Company will derive from such transactions.

## **6. Approval for Related Party Transactions:**

### **6.1 Audit Committee Approval:**

**6.1.1** All RPTs of the Company and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee, provided that-

**6.1.2** Only those members of the audit committee, who are independent directors, shall approve RPTs. Also, any members of the Audit Committee who has any interest in any RPT shall recuse themselves and abstain from discussion and voting on the approval of RPT.

**6.1.3** A RPT 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 it satisfies following:

A. the value of such transaction is above Rs. 1 (One) Crore and

B. whether entered into individually or taken together with previous transactions during a financial year, exceeds lower of the following:

a) **If such subsidiary have audited financial statements for a period of at least one year:**



- i. 10% (ten per cent) of the annual standalone turnover, as per the last audited financial statements of the subsidiary or
- ii. 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements.

**b) If such subsidiary does not have audited financial statements for a period of at least one year:**

- i. 10% (ten per cent) of the aggregate value of paid-up share capital and securities premium account of the subsidiary\* or
- ii. 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements.

*\*Note: The aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date which is not older than 3 (three) months prior to the date of seeking approval of the audit committee.*

**6.1.4** The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the Company or its subsidiary and which are repetitive in nature, provided that such approval shall remain valid for a period not exceeding one year. The omnibus approval shall specify the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into, the indicative base price / current contracted price and the formula for variation in the price, if any, justification for the need of omnibus approval, material terms of the transactions. Further, where the need for RPTs cannot be foreseen and requisite details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction. The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given.

**6.1.5** The Audit Committee shall, after obtaining approval of the Board, lay down the criteria for granting the omnibus approval in line with this Policy, which shall include (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year; (b) the maximum value per transaction which can be allowed; (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval; (d) review, at such intervals as the Audit Committee may deem fit; (e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

**6.2 Board of Directors Approval:** A Related Party Transaction which is-

- a. not in the ordinary course of business; or
- b. not at arm's length basis

would require prior approval of the Board based on the recommendation of Audit Committee. Any members of the Board who has any interest in any RPT will recuse themselves and abstain from discussion and voting on the approval of the RPT.



### **6.3 Shareholder Approval:**

**6.3.1** All material RPTs and subsequent material modifications thereto (*as per the limits defined in this policy*) shall require prior approval of the shareholders through a resolution and no related party shall vote to approve such resolutions.

**6.3.2** Validity of Omnibus Approval granted by the shareholders for material RPTs:

- a) If it is granted in an Annual General Meeting ("**AGM**"): Till the date of the next AGM
- b) If it is granted in Extra-ordinary General Meeting or otherwise: 1 (one) year from the date of such approval

**6.3.3** All RPTs as specified in section 188 of the Act read with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, if exceeds thresholds specified therein.

**6.4** The above provisions (6.1 & 6.3) will not be applicable in the following cases-

**6.4.1** 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

**6.4.2** 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

**6.4.3** Any transaction that is specifically excluded from applicability of the related party provisions under the Act and / or the Listing Regulations.

**6.5** In the event, the Company becomes aware of a RPT that has not been approved under this Policy prior to its occurrence, the Company would seek post facto approval from the Audit Committee and the Board, as the case may be, within the manner and time frame specified in the Act and Listing Regulations.

**6.6** While obtaining approval **as per clause 6.1, 6.2, 6.3 and 6.5**, the Company shall adhere to the applicable Industry Standards on "*Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction*" and any amendments thereto, or specific disclosures as prescribed by the SEBI, as applicable, in addition to the requirements of the Act and Listing Regulations, if the value of transaction exceeds the limit prescribed thereunder.

## **7. Disclosure Requirements:**

The Policy shall be uploaded on the website of the Company at [www.smtpl.com](http://www.smtpl.com) and the web link thereto shall be provided in the Annual Report.

Every RPT that is:

- i. not at arm's length basis and/ or ordinary course of business or
- ii. material contracts/ arrangements at arm's length basis



shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction as per the requirement of the Act.

The Company shall submit to the stock exchanges disclosures of RPTs in the format specified by the SEBI and publish the same on its website, every six months on the date of publication of its standalone and consolidated financial results.

The Company shall keep one or more registers, giving separately the particulars of all contracts or arrangements with Related Party in which Director(s) are interested in compliance with the provisions of the Act.

## **8. Review & Amendment:**

- 8.1** This Policy is framed based on the provisions of the Listing Regulations and the Act. In case of any subsequent changes in the provisions of the Listing Regulations or the Act or any other applicable law which make the provisions of this Policy inconsistent with the Listing Regulations or the Act or any other applicable law, the provisions of the Listing Regulations or the Act or any other applicable law shall prevail over the Policy.
- 8.2** Any change, amendment, or addition to this Policy shall require prior approval of the Audit Committee and the Board. However, the Company Secretary is authorized to make amendments to this Policy to give effect to any changes or amendments notified by Ministry of Corporate Affairs and the Securities and Exchange Board of India. Such amendments shall be placed before the Audit Committee and the Board for noting and ratification at its subsequent meeting.
- 8.3** This Policy shall be reviewed by the Board of Directors at least once in every three years and update accordingly.

## **Limitation:**

In the event of any conflict between the provisions of this Policy and the Listing Regulations or the Act or any other relevant legislation/ regulation applicable to the Company, the provisions of the Listing Regulations or the Act or such other relevant law / regulation or circular shall prevail over this Policy.

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