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RELATED PARTY TRANSACTION POLICY

1.0 Purpose:

- 1.1 To lay down the Company's Policy on transactions conducted with any entity that is a related party as defined by law applicable from time to time

2.0 Scope:

- 2.1 This Policy shall apply to Bharat Bijlee Limited, its Directors and its Key Managerial Personnel as defined by law applicable from time to time

3.0 Policy Statement:

- 3.1 The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee
- 3.2 The Company, its Directors and Key Managerial Personnel will be responsible to inform the Board and/or Audit Committee immediately upon becoming aware of any potential Related Party Transaction involving him/her and/ or his/her Relative. He/she shall provide any additional information about the transaction that the Board / Audit Committee may request to help determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Board/ Audit Committee shall take any such action as it may deem appropriate based on the assessment of the facts presented and considered
- 3.3 In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction
- 3.4 The Audit Committee may grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:
 - 3.4.1 The name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into
 - 3.4.2 The indicative base price / current contracted price and the formula for variation in the price, if any and
 - 3.4.3 Such other conditions as the Audit Committee may deem fit

- 3.5 The Audit Committee may also grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available up to a value of Rs. 1 crore per transaction. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year
- 3.6 The following Related Party Transactions shall not require prior approval of Audit Committee or Shareholders:
- 3.6.1 Any transaction that involves providing 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
- 3.6.2 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
- 3.7 In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement
- 3.8 All material related party transactions, will be placed for approval of the shareholders of the Company. A transaction with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual turnover as per the last audited financial statements of the Company
- 3.9 Approved Related Party Transactions will be referred to the next quarterly Audit Committee meeting for review. Any member of the Audit Committee who has potential interest in any Related Party Transaction will recuse himself/ herself and abstain from discussion and voting on the approval of the Related Party Transaction
- 3.10 The Audit Committee has authority to modify or waive any procedural requirement of this Policy