



Bharat
RASAYAN LIMITED

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E-mail : info@bharatgroup.co.in • Website : www.bharatgroup.co.in
CIN : L24119DL1989PLC036264

I. **PREAMBLE**

Pursuant to SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 there has been amendment in the definition and other clauses dealing with policy on related party transactions. Accordingly, the Board of Directors (the "Board") of Bharat Rasayan Limited Limited (the "Company" or "BRL"), has adopted the following amended policy and procedures with regard to Related Party Transactions as defined below. This amended policy will be applicable to the Company. This amended policy is to regulate transactions between the Company and its Related Parties based on the laws, rules and regulations of the Listing Agreement and the Companies Act, 2013 as may be applicable on the Company.

II. **PURPOSE**

This policy is framed as per the requirement of revised Clause 49 of the Listing Agreement enforced vide SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 entered by the Company with the Stock Exchanges and intended to ensure the proper approval and reporting 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 each year in the Financial Statements the transactions entered between the Company and Related Parties as defined in Companies Act, 2013 as well as policies concerning transactions with Related Parties.

III. **DEFINITIONS**

The definitions of the key terms used in this Policy are provided hereunder:

"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" means the Audit Committee as constituted by the Board of Directors of the Company under the provisions of Listing Agreement and Companies Act, 2013.

"Board" means Board of Directors of the Company.

"Company" means Bharat Rasayan Limited



“Control” shall have the same meaning as defined in Securities Exchanges Board of India (SEBI) (Substantial Acquisition of shares and Takeovers) Regulations, 2011.

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) the Chief Executive Officer or the Managing director or the Manager,
- (ii) the Company Secretary;
- (iii) the Whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed by the Central Government/SEBI from time to time.

“Material Related Party Transaction” means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

“Policy” means Related Party Transaction Policy.

“Related Party” in relation to a company means an entity which is related to the Company in any of the following ways:

- (i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) such entity is a related party under the applicable accounting standards.

“Related Party Transaction” means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

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

“Relative” means relative as defined under the Companies Act, 2013 and includes any one 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)

IV. POLICY

All Related Party Transactions shall require prior approval of the Audit Committee. 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, 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, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

- d. Audit Committee shall review, on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.



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- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

V. PROCEDURES

A. Identification of Potential Related Party Transactions

- (i) Each Director and Key Managerial Personnel is 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. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.
- (ii) The Company strongly prefers to receive such notice of any potential Related Party Transaction and interest of the related parties in the said transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

B. Prohibitions related to Related Party Transactions

- (i) All Related Party Transactions of the Company as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement will require prior approval of the Audit Committee and the same shall be approved by the Audit Committee of the Board from time to time except where omnibus approval has already been given by the Audit Committee.
- (ii) All Material Related Party Transactions shall require approval of the shareholders through special resolution and all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

C. Review and Approval of Related Party Transactions

- (i) 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



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transaction, the benefits to the Company and to the Related Party, 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 the Related Party Transaction would affect the independence of an independent director;
 - 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.
- (ii) 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.
- (iii) Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:
- 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 expenses, mobile, entertainment, etc. and travel expenses incurred in the ordinary course of business.



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- 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.

VI. DISCLOSURES

All material related party transactions shall be disclosed quarterly along with the Compliance Report on Corporate Governance as per the Listing Agreement. The company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.

VII. AMENDMENT

The Audit Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate to the Board of Directors of the Company.

This amended Policy shall be effective from 1st October, 2014 and shall be communicated to all the Directors, Key Managerial Personnel and other concerned persons of the Company.