

# Bharatiya Global Infomedia Limited

(CIN L74999DL1994PLC062967)

## **RELATED PARTY TRANSACTION POLICY**

**(As Approved by the Audit Committee & Board on November 14, 2014 and shall be effective  
From October 1, 2014)**

## **1. Preamble**

The Board of Directors of Bharatiya Global Infomedia Limited ('the Company' or 'BGIL') has adopted the following policy and procedures with regard to Related Party Transactions. The Board Committee may review and may amend this policy from time to time.

This policy will be applicable to the Company effective October 1, 2014. This policy is intended to regulate transactions between the Company and its Related Parties based on the laws, rules and regulations applicable to the Company

## **2. Purpose**

This policy is framed as per the requirement of Clause 49 of the Listing Agreement(s) entered by the Company with the Stock Exchanges and is intended to ensure the proper approval and disclosure of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interests of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties.

## **3. Definitions**

**3.1. "Audit Committee or Committee"** shall mean the Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013, inter alia to oversee the accounting and financial reporting process of the Company.

**3.2. "Board"** shall mean the Board of Directors of Bharatiya Global Infomedia Limited

**3.3. "Key Managerial Personnel"** means key managerial personnel as defined under the Companies Act, 2013 and shall include (i) Managing Director, or Chief Executive Officer or Manager and in their absence a Whole-time Director; (ii) Company Secretary; and (iii) Chief Financial Officer

**3.4. "Material Related Party Transaction"** means any 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 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

**3.6. "Policy"** means Related Party Transaction Policy.

**3.7. "Related Party"** shall mean an (i) entity which is a related party under Section 2(76) of the Companies Act, 2013; or (ii) entity which is a related party under the applicable accounting standards.

Explanation:

**A.** Related party under Section 2(76) of the Companies Act, 2013 include:

**(i)** A director or his relative;

**(ii)** A key managerial personnel or his relative;

**(iii)** A firm, in which a director, manager or his relative is a partner;

**(iv)** A private company in which a director or manager is a member or director

**(v)** A public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;

**(vi)** any Body corporate whose Board of directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

**(vii)** Any person under whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in (vi) and (vii) above shall apply to the advice, directions or instructions given in a professional capacity;

**(viii)** Any company which is –

**(A)** A holding, subsidiary or an associate company of such company; or

**(B)** A subsidiary of a holding company to which it is also a subsidiary;

**(ix)** Director or key managerial personnel of the holding company or his relative with reference to a company or their relatives.

**B.** Related Party as defined under Accounting Standard 18 shall mean and include the following:

(a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries);

(b) Associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture;

(c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;

(d) Key management personnel and relatives of such personnel; and

(e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise

**3.8. “Related Party Transaction”** means any transaction by the Company with any Related Party for the purpose of transfer of resources, services or obligations between the company and such related party, regardless of whether a price is charged or not.

**3.9. “Relative”** means relative as defined under Section 2(77) of the Companies Act, 2013 and rules thereunder shall include 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)
- iv. Son (including step-son)
- v. Son's wife
- vi. Daughter
- vii. Daughter's husband
- ix. Brother (including step-brother)
- x. Sister (including step-sister)

#### **4. Policy**

All Related Party Transactions must be referred for approval by and reported to the Audit Committee from time to time.

##### **4.1. Identification of potential Related Party Transactions**

Each Director of the Company and Key Managerial Personnel is responsible for disclosing (and updating from time to time) particulars of his/her relatives and his/her interest in any other entity either as Director and/or Member and/or Partner etc. Additionally the Director and Key Managerial Personnel shall from time to time provide notice to the Board 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 require.

The Management shall compile a List of Related Parties in accordance with Clause 49 of the Listing Agreement based on the disclosures provided by the Directors and Key Managerial Personnel and other information available with the Company.

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 and consider approval.

The Management shall identify Material related Party Transactions, requiring approval of Shareholders in accordance with Companies Act, 2013 and Clause 49 of Listing Agreements.

##### **4.2. Prohibitions related to Related Party Transactions**

All Related Party Transactions shall require prior approval of Audit Committee. However the Audit Committee at its discretion may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to conditions prescribed under Clause 49 of the Listing Agreement.

Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and all Related Parties irrespective of whether an entity is a party to the particular transaction shall abstain from voting on such resolutions.

### **4.3. Review and Approval of Related Party Transactions**

Any proposed Related Party Transactions will be referred to the ensuing scheduled meeting of Audit Committee for review and approval. All transactions carried out by the Company and covered under the omnibus approval by the Audit Committee, shall be reviewed on quarterly basis. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To facilitate review of each Related Party Transaction, the Audit Committee will be provided with all relevant information of the Related Party Transaction, including the proposed and detailed terms of the transaction, the benefit, rights and obligations of the Company and the Related Party, and any other relevant information. The Audit Committee will consider the following factors, among others, to the extent relevant to the approved Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair to the Company and on arms-length basis 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 any 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 Committee 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 or the benefits arising there from to the Company or the Related Party, the direct or indirect nature of the interest of any directors, Key Managerial Personnels or other Related Party interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deem relevant.

If the Committee determines that a Related Party Transaction should be brought before the Board whether in view of internal pre-determined threshold or otherwise, 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 prior approval of Audit Committee or Shareholders unless the Corporate Governance Code requires otherwise:

i. Any transaction(s) between the Company and its Wholly Owned Subsidiary (ies) whose accounts are consolidated with the accounts of the Company.

ii. Any transaction that involves the payment 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.

iii. 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 similar to the Related Party.

#### **4.4. Related Party Transactions not approved under this Policy**

In an event the Company becomes aware of any Transaction with a Related Party that has not been approved under this Policy prior to its consummation; the matter shall be reviewed by the Audit Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the said Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate. In case where the Committee decides not to ratify a Related Party Transaction that has been commenced without appropriate approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee shall have the authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company, for appropriate implementation.