



RELATED PARTY TRANSACTION

(1) Related party with reference to Company means:-

- A director or his relative
- A KMP or his relative
- A firm, which a director, manager or his relative is a partner
- A pvt. Co. in which a director or manager is a member or director
- A public co. in which a director or a manager is a director or holds along with his relatives , more than 2% of its paid up capital
- Any person on whose advice, directions or instructions a director or manager accustomed to act
- Provide that nothing in sub clauses(vi) and (vii) shall apply to the advice, directions or instructions given in professional capacity;

(2) According to section 188(1),no company shall enter into contract or arrangement with reference to -

- a. Sale purchase or supply of any goods or material;
- b. Selling or otherwise disposing of, or buying ,property of any kind;
- c. Leasing of any property of any kind;
- d. Availing or rendering of any services;
- e. Appointment of any agent for any purchase or for sell of any goods, material, services or property;
- f. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g. Underwriting the subscription of any securities or any derivatives of the company.

(3) These contracts may be contracts with the consent of board given by way of resolution at a meeting of the board.

(4) No related party contract or arrangement, in the case of company having a paid up share capital of not less than such amount, or transaction not exceeding such sums, as may be prescribed in Rule 15 of the companies (Meeting of board and its power) Rule, 2014 shall be entered into except with the prior approval of the company by a special resolution.

(5) No member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

(6) This sub section shall apply to any transaction entered into by the company in its ordinary course of business other than transactions which are not on arms length basis.