



INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

**CODE OF BUSINESS CONDUCT AND ETHICS
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT
PERSONNEL**

Indian Renewable Energy Development Agency Limited
CODE OF BUSINESS CONDUCT AND ETHICS
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

1.0 Introduction

1.1 This Code of Conduct (“this Code”) shall be called “The Code of Business Conduct & Ethics for Board Members and Senior Management Personnel” of Indian Renewable Energy Development Agency Limited (IREDA) (hereinafter referred to as “the Company”).

1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company. The code is in alignment with Company’s vision and values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

1.3 It shall come into force with effect from the date of approval by the Board.

2.0 Definitions and Interpretations

2.1 “Board Members” shall mean Directors on the Board of Directors of the Company.

2.2 The term “Whole-time Directors” or “Functional Directors” shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.

2.3 The term “Part-time Directors” shall mean Directors on the Board of Directors of the Company who are not in whole-time employment of the Company.

2.3.a1. The term “Independent Director” shall mean an Independent Director as defined in Section 2(47) and Section 149(6) of the Companies Act, 2013 and/or any amendment or modification thereof.

2.4 The term “Relative” shall mean the ‘relative’ as defined in Section 2(77) of the Companies Act, 2013 as amended from time to time and includes

the Rules thereof and listing regulations, whenever applicable.

2.5 “Senior Management” shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the Executive Directors and all functional heads.

2.6 “The Company” shall mean Indian Renewable Energy Development Agency Limited (IREDA).

2.7 The term “Key Managerial Personnel (KMP)” shall have the same meaning as defined in Section 2(51) of the Companies Act, 2013 and/or any amendment or modification thereof.

Note : In this Code words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

3.0 Applicability

3.1 This code shall be applicable to the following personnel :

- a) All Whole-time Directors including the Chairman & Managing Director of the Company.
- b) All Part-time Directors under the provisions of law.
- c) Key Managerial Personnel (KMP)
- d) Senior Management

3.2 The Whole-time Directors, KMPs and members of Senior Management should continue to comply with other applicable/to be applicable policies, rules and procedures of the Company.

4.0 Contents of Code

Part I General Moral Imperatives

Part II Specific Professional Responsibilities.

Part III Specific Additional Provisions for Board Members, KMPs and Senior Management.

This Code is intended to serve as a basis for ethical decision-making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

Part - I

5.0 General Moral Imperatives

A. Contribute to society and human well being

This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.

Therefore, all Board Members, KMPs and Senior Management who are accountable for the design, development, manufacture and promotion of company's products, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

5.1 Be honest and trustworthy & practice integrity

5.1.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.

5.1.2 All Board Members, KMPs and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct while conducting business of the Public Enterprise.

5.2 Be fair and take action not to discriminate

5.2.1 The Company is committed to provide a workplace free of discrimination and harassment based on race, colour, religion, age, gender, national origin, disability, veteran status or any other biases. It will be the endeavour of every director and officer of the Company to see that workplace is free from such bias.

5.3 Honour Confidentiality

5.3.1 All Board Members, KMPs and Senior Management are expected to maintain the confidentiality of all information (whether belonging to the Company or party with whom the Company has a relationship) entrusted to them or that comes to them from whatever source, in his or her capacity as a Director or KMP or member of Senior Management team, except when disclosure is authorized by the Board or is warranted by law.

5.4 Pledge & Practice

5.4.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

5.4.2 Work unstintingly for eradication of corruption in all spheres of life.

5.4.3 Remain vigilant and work towards growth and reputation of the Company.

5.4.4 Bring pride to the organization and provide value-based services to Company's stakeholders.

5.4.5 Do duty conscientiously and without fear or favour.

Part-II

6.0 Specific Professional Responsibilities

6.1. Live the Vision, Mission and Values of Indian Renewable Energy Development Agency Limited (IREDA)

Mission

“Be a pioneering, participant friendly and competitive institution for financing and promoting self-sustaining investment in energy generation from Renewable Sources, Energy Efficiency and Environmental Technologies for sustainable Development.”

Quality Policy

IREDA is committed to maintain its position as a leading organization to provide efficient and effective financing in Renewable Energy & Energy Efficiency/Conservation. Focus of its services shall be:

- Customer Satisfaction
- Timely and Prompt Response
- Increase Market Share in Financing
- Grow into Apex Level Financial Institution
- Encourage Micro Lending through Intermediation
- Professional Excellence
- Organizational Flexibility

Quality Objectives

- Improvement in the efficiency of services provided to customers
- Customer satisfaction
- Strengthen Human Resource Development
- Continual improvement of systems, processes and resources.

Values

- Zeal to excel and zest for change
- Integrity and fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Ensure speed of response
- Foster learning, creativity and team-work
- Loyalty and pride in IREDA

6.1 Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work

Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

6.2 Acquire and maintain professional competence

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

6.3 Compliance with Laws

The Board Members, KMPs and Senior Management of IREDA are expected to conduct all business and affairs of the Company in accordance with applicable laws, rules and regulations, and shall ensure such conduct by himself and by officers and employees of the Company.

6.4 Accept and provide appropriate professional review

Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of others.

6.5 Manage personnel and resources to enhance the quality of working life

Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members, KMPs and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of IREDA by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

6.5.1.1 Be upright and avoid any inducements

The Board Members, KMPs and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times to influence business for the organization or awarding to an agency etc.

6.6 Observe Corporate Discipline

The flow of communications within the IREDA is not rigid and people are free to express themselves at all levels. Though, there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases, policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

6.7 Conduct in a manner that reflects credit to the Company

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

6.8 Be accountable to Company's stakeholders

All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Stakeholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and society to which Company is responsible for its actions - are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

6.9 Prevention of Insider Trading

The Board Members, KMPs and Senior Management shall comply with the code of Internal Procedures and conduct for prevention of Insider Trading in dealing with Securities of the Company, if applicable.

6.10 Identify, mitigate and manage business risks

It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wide process of managing such risks, so that Company may achieve its wider business objectives.

6.11 Protect properties of the Company

The Board Members, KMPs and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

Part- III

7.0 Specific Additional Provisions for Board Members, KMPs and Senior Management

A. Duties of Directors

The Director(s) of the Company:

- a) shall act in accordance with the articles of the company, subject to the provisions of the Companies Act, 2013 as amended from time to time;
- b) shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment;
- c) shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- d) shall not involve in a situation in which he may have a direct or

indirect interest that conflicts, or possibly may conflict, with the interest of the company;

- e) shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company;
- f) shall not assign his office and any assignment so made shall be void.

B. Specific Duties of Independent Directors

The Independent Directors shall –

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) keep themselves well informed about the company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper

Board or committee of the Board;

- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

7.1 As Board Members, KMPs and Senior Management

They shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

7.2 As Board Members

- 7.2.1 Undertake to inform the Chairman and Managing Director/ Company Secretary of the Company of any changes in their other Board positions, relationship with other business and other events / circumstances / conditions that may interfere with their ability to perform Board/ Board Committee duties or may impact the judgments of the Board.

Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. A 'Conflict of interest' occurs where the interest or benefit of director or member of Senior Management is in conflict with the interest or benefits of the company. Directors, KMPs and Senior Management should be scrupulous in avoiding conflicts of interest with the Company. Any

situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company must be disclosed promptly to the Board of Directors. For e.g.

- i. **Outside Directorships:** It is a conflict of interest to serve as a Director of any Company that competes directly with the Company. Directors/ Officers must first obtain approval from the Company's Board of Directors before accepting such Directorship. Further, each Director/officer shall inform the Board of any such changes in their Board positions, relationship with other businesses and charitable organizations.
- ii. **Employment/ outside employment:** The Directors, KMPs and Senior Management Personnel are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company like simultaneous engagement/ employment or directorships with competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position.
- iii. **Business interests:** If any Director, KMP or Senior Management Personnel is considering investment in the business of any competitor of the Company, he or she must first take care to ensure that these investments do not compromise their responsibilities towards the Company. Before making investment in the business of the competitor, the Director, KMP and Senior Management Personnel shall take permission from the Board of Directors of the Company.

Directors, KMPs and Senior Management Personnel should take prior approval from the Board of Directors for making any such investment except investment in a listed Company through stock exchanges not exceeding two percent of the capital of that Company.

- iv. **Use of Official position for personal gains:** Should not use their official position for personal gains.
- v. **Related Party Disclosure:** The Board members, KMPs and Senior Management Personnel shall make disclosure of related

party transactions as provided under Companies Act, 2013 and/or any amendment or modification thereof in Appendix -I.

7.3 Compliance with the Code of Business Conduct and Ethics.

- 7.3.1 All Members of the Board, KMPs and Senior Management personnel of the Company shall uphold and promote the principles of this code.

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members, KMPs and Senior Management to adhere to the principle expressed in this Code, each of them should also encourage and support adherence by others.

- 7.3.2 **Treat violations of this code as inconsistent association with the organization.**

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Member, KMP or Senior Management personnel does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

7.4 Miscellaneous Points

- 7.4.1 **Continual updation of Code**

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may deemed necessary by the Board and all such amendments/ modifications shall take effect prospectively from the date stated therein.

- 7.4.2 **Where to seek clarifications**

Any member of Board, KMP or Senior Management requiring any clarification regarding this Code of Business Conduct and Ethics may contact Chairman & Managing Director/ Director (Finance)/ Director (Technical)/ Company Secretary/ any other specifically designated by the Board of Directors.

- 7.4.3 **Placement of the Code on Website** - This Code and any amendments thereto shall be hosted on the website of the Company.

7.4.4 **Annual Compliance Reporting**

- a) All Board Members, KMPs and Senior Management Personnel shall affirm compliance of this code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Chairman & Managing Director. A Performa of Annual Compliance Report is at Appendix - II. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Board Member, KMP or Senior Management Personnel leaves the Company at any time during a financial year, he/she shall send a communication to the Company Secretary affirming compliance of the code till date of his association with IREDA.
- b) The Chairman & Managing Director of the Company and all whole time directors shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal, or in violation of this Code.

7.4.5 **Acknowledgement of Receipt of the Code:** All Board Members, KMPs and Senior Management personnel shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at Appendix-III and forward the same to the Company Secretary that they have received, read, understood and agreed to comply with this code.

Indian Renewable Energy Development Agency Limited

CODE OF BUSINESS CONDUCT AND ETHICS
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BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

ANNUAL COMPLIANCE REPORT

I _____ do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the “**Code of Business Conduct and Ethics for Board Members and Senior Management Personnel**” during the financial year ending 31st March, 20__.

Signature

Name

Designation

Date

Place

Note : Annual Compliance Report by Board Members/ Senior Management Personnel of the Company on annual basis by 30th April of next financial year.

Indian Renewable Energy Development Agency Limited

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ACKNOWLEDGEMENT FORM

I _____ have received and read the Company's **Code of Business Conduct and Ethics for Board Members and Senior Management Personnel (this Code)**. I have understood the provisions and policies contained in this Code and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the IREDA or the legal and regulatory requirements applicable to my job, I know I can consult Director or Company Secretary of IREDA knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide affirmation on an annual basis to the Company within 30 days from the end of 31st March every year.

Signature

Name

Designation

Date

Place

Indian Renewable Energy Development Agency Limited

CODE OF BUSINESS CONDUCT AND ETHICS

FOR

BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

I, _____, Director/KMP/Senior Management Personnel of IREDA, do hereby solemnly affirm and state that I am fully aware of my responsibilities and duties with respect to disclosure of related party transactions as defined in this code at Annexure I.

In case, IREDA proposes to undertake any such transaction involving me or my relative, I will disclose the same to the Board on prompt basis.

Signature

Name

Designation

Date

Place

EXTRACT OF THE COMPANIES ACT, 2013

A. RELATIVE

As per Section 2 (77) of the Companies Act, 2013, "**Relative**" with reference to any person, means anyone who is related to another, if:-

- (a) they are members of a Hindu undivided family;
- (b) they are husband and wife; or
- (c) one person is related to the other in such manner as prescribed under Rule 4 of the Companies (Specification of Definitions Details), Rules, 2014.

LIST OF RELATIVES AS PER RULE 4 OF THE COMPANIES (SPECIFICATION OF DEFINITIONS DETAILS) RULES, 2014

1. Father (including step-father)
2. Mother (including step-mother)
3. Son (including step-son)
4. Son's Wife
5. Daughter
6. Daughter's husband
7. Brother (including step-brother)
8. Sister (including step sister)

B. RELATED PARTY

As per Section 2 (76) of the Companies Act, 2013 read with Rule 3 of the Companies (Specifications of Definitions Details) Rules, 2014, Related Party, with reference to a company, shall mean the following:

- (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 or his relative 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 on whose advice, directions or instructions a director or manager is accustomed to act.

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity.

- (viii) any body corporate which is –
 - (A) a holding, subsidiary or an associate company of such company;
 - (B) a subsidiary of a holding company to which it is also a subsidiary; or
 - (C) an investing company or the venturer of the company.

Explanation – For the purpose of this clause, "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- (ix) such other person as may be prescribed in Rule 3 of the Companies (Specifications of Definitions Details) Rules, 2014.

RULE 3 OF THE COMPANIES (SPECIFICATIONS OF DEFINITIONS DETAILS) RULES, 2014,

For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

C. SECTION 188 OF THE COMPANIES ACT, 2013 READ WITH RULE 15 OF THE COMPANIES (MEETINGS OF BOARD AND ITS POWERS) RULES, 2014

- (1) Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into any contract or arrangement with a related party with respect to –
- (a) sale, purchase or supply of any goods or materials;
 - (b) selling or otherwise disposing of, or buying, property of any kind;
 - (c) leasing of property of any kind;
 - (d) availing or rendering of any services;
 - (e) appointment of any agent for purchase or sale of goods, materials, 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;
 - (g) underwriting the subscription of any securities or derivatives thereof, of the company.

Provided that no contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions not exceeding such sums, as may be prescribed, shall be entered into except with the prior approval of the company by a resolution.

Provided further that no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

Provided also that nothing contained in the second proviso shall apply to a company in which ninety per cent or more members, in number, are relatives of promoters or are related parties.

Provided also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

Provided also that the requirement of passing the resolution under first proviso shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Explanation – In this sub-section –

- (a) the expression “office or place of profit” means any office or place –
 - (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
 - (ii) where such office or place is held by an individual other than a

director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

- (b) the expression "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.

RULE 15 (3) OF THE COMPANIES (MEETINGS OF BOARD AND ITS POWERS) RULES, 2014.

(3) For the purposes of first proviso to sub-section (1) of section 188, except with the prior approval of the company by a resolution, a company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into;

- (a) as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188, with criteria as mention below-

- i. sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
- ii. selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;
- iii. leasing of property any kind amounting to ten per cent or more of the turnover of the company, as mentioned in clause (c) of sub-section (1) of section 188;
- iv. availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188.

Explanation- It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

(b) is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees as mentioned in clause (f) of sub-section (1) of section 188.

(c) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

Explanation- (1) The turnover or net worth referred in the above sub-rules shall be computed on the basis of the audited financial statement of the preceding financial year.

(2) In case of wholly owned subsidiary, the resolution is passed by the holding company shall be sufficient for the purpose of entering into the transaction between the wholly owned subsidiary and the holding company.

(3) The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 101 shall contain the following particulars, namely:-

- (a) name of the related party;
- (b) name of the director or key managerial personnel who is related, if any;
- (c) nature of relationship;
- (d) nature, material terms, monetary value and particulars of the contract or arrangements;
- (e) any other information relevant or important for the members to take a decision on the proposed resolution.

**RELATED PARTY TRANSACTIONS AS PER THE LISTING REGULATION,
WHENEVER APPLICABLE.**