

BHARAT AGRI FERT & REALTY LTD.

(formerly known as Bharat Fertiliser Industries Ltd.)

Registered Off. : Bharat Fertiliser House,
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CIN No.L24100MH1985PLC036547

POLICY ON RELATED PARTY TRANSACTIONS & MATERIALITY OF RELATED PARTY TRANSACTIONS

This policy was formulated in compliance of provisions of Clause 49 (VII) of the Amended Listing Agreement.

With the notification of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred as “LODR Regulations”) on 2nd September, 2015, effective from 1st December, 2015, the Company has amended its Policy in line with aforementioned Regulations.

Definitions:-

1. “Related Party” with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 read with Rule 3 of the Companies (Specification of definition details) Rules, 2014 and also as given in Regulation 2(zb) of Chapter 1 of the LODR Regulations, 2015.

2. “Related Party Transaction” means:-

- a) For the purpose of the Act, specified transactions mentioned in clause (a) to (g) of subsection (1) of Section 188 of the Companies Act, 2013.
- b) For the purpose of LODR Regulations, transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged.

3. “Material Related Party Transaction” refers to such transaction(s), 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 listed entity as per the last audited financial statements of the listed entity.

Company’s Policy on Related Party Transactions:-

- A. The Company shall enter into transactions with Related parties only if such transactions are:
- a) in the Ordinary Course of business and on arms length basis.
 - b) duly approved by the Audit Committee.

B. In cases where the transactions are not in the ordinary course of the Company's business although below the threshold limit provided under proviso to sub-section (1) of Section 188 of the Companies Act, 2013, the Company shall enter into transactions with related parties only if such transactions are duly approved by the Audit Committee & the Board of Directors at a duly convened meeting.

C. In cases where the transactions to be entered into, exceeds the aforesaid threshold limits, then such transactions with related parties, shall be entered into, only after prior approval of the shareholders.

Company's Policy on Material Related Party Transactions

In determining whether the transaction is "material" or not, regard shall be had to the requirements of Regulation 23 of LODR Regulations.

In cases where the transaction are material in value, in terms of aforementioned Regulations, the Company shall enter into transaction with related parties only if such transactions are duly approved by the shareholders by a Resolution.

The Audit Committee shall formulate and adopt adequate rules and shall assign responsibilities to the senior executives of the Companies so as to ensure compliance with this Policy.

Amendment to the Policy

The Board of Directors may review and amend this policy from time to time subject to the review of Audit Committee.

Place: Mumbai

Yogendra Patel

Date: 6th November, 2015

Chairman and Managing Director