



MEGHALAYA ENERGY CORPORATION LIMITED

(A Government of Meghalaya Enterprise)

Corporate Affairs

Corporate Identification No.U40101ML2009SGC008374

LUM JINGSHAI, SHORT ROUND ROAD, SHILLONG 793 001, MEGHALAYA

Email: corpaffairs.meecl@gmail.com :: Website address : www.meecl.nic.in

No. MeECL/CA/GA-I/148/2022/29

Dated: 20th January, 2023

OFFICE ORDER

The Board of Directors, MeECL and its Subsidiary Companies, has approved the implementation of the "Common Code of Business Conduct and Ethics Policy for Board Members and Senior Management" of MeECL and its subsidiary companies, namely Viz. MePGCL, MePTCL, MePDCL, vide the following resolutions.

- (i) Board of Directors, MeECL Resolution No.5(I) dt.10.08.2022.
- (ii) Board of Directors, MePDCL Resolutions No. 5(II) dt. 10.08.2022 & No. 4(II) dt. 20.09.2022.
- (iii) Board of Directors, MePGCL Resolutions No. 6(III) dt. 10.08.2022 & No. 5(I) dt. 20.09.2022.
- (iv) Board of Directors, MePTCL Resolutions No. 5(IV) dt. 10.08.2022 & No. 6(IV) dt. 20.09.2022.

The above office order shall come into force with immediate effect.

The policy is available in the MeECL official website www.meecl.nic.in

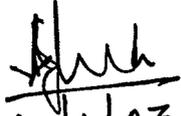
Sd/-
(Sanjay Goyal, IAS)
Chairman-cum-Managing Director

Memo No. MeECL/CA/GA-I/148/2022/29 (a)

Dated: 20th January, 2023

Copy to:-

1. The Director (Finance), MeECL, Shillong.
2. The Director (Transmission), MePTCL, Shillong.
3. The Director (Generation), MePGCL, Shillong.
4. The Director (Distribution), MePDCL, Shillong/Director, HRDC, MeECL.
5. All Chief Engineers, MePGCL/MePDCL/MePTCL.
6. The Chief Accounts Officer, MeECL, Shillong.
7. The Company Secretary, Corporate Affairs, MeECL, Shillong.
8. All Additional Chief Engineers, MePGCL/MePDCL/MePTCL.
9. All Deputy Chief Accounts Officers, MeECL
10. The Chief Security-cum-Vigilance Officer, MeECL, Shillong.
11. The Public Relations Officer, MeECL, Shillong.
12. The Executive Engineer (MIS), MePDCL, Shillong. With a request to upload the same the MeECL official website.
13. Guard file.


20/1/23
(B. Syiemlieh)
Joint Secretary



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Common Code of Business Conduct and Ethics policy for Board Members and Senior Management of MeECL and its subsidiary companies namely MePDCL, MePGCL and MePTCL

1. Introduction:

- 1.1. This Code of Conduct (this Code) shall be called "Common Code of Business Conduct and Ethics policy for Board Members, and Senior Management" of Meghalaya Energy Corporation Limited and its three subsidiary companies namely Meghalaya Power Distribution Corporation Ltd., Meghalaya Power Transmission Corporation Ltd. and Meghalaya Power Generation Corporation Ltd.
- 1.2. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company and to lay down certain ground rules to promote ethical conduct and good practices and to deter wrong-doing.
- 1.3. The Code is designed to assist in defining appropriate personal and professional conduct, to provide guidance in the identification and resolution of ethical issues, and to help the members of the Board and the members of the Senior Management of the Company to maintain the culture of honesty, integrity, transparency and accountability.
- 1.4. It shall come into force with effect from the date of approval by the Board of Directors of the respective companies.

2. Definitions and interpretations:

- 2.1. The term "Board Members" shall mean Directors on the Board of Directors of the Company for the time being in force.
- 2.2. The term "Relative" shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013.
- 2.3. The term "Senior Management" shall mean Officers of the Corporations holding the posts/designation equivalent to the rank of Additional Chief Engineer and above, excluding the Board of Directors of the Company.
- 2.4. The term "the Company" shall mean the Meghalaya Energy Corporation Limited and its three subsidiary companies namely Meghalaya Power Distribution Corporation Ltd., Meghalaya Power Transmission Corporation Ltd. and Meghalaya Power Generation Corporation Ltd.

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. Applicability:

- 3.1. This Code shall be applicable to the following personnel:
 - a) All Directors on the Board of Directors of the Company including the Chairman cum Managing Director of the Company.
 - b) Senior Management

Note: This Code of Conduct shall be in addition to and not in derogation of the Code of Conduct laid down in the Company's Service Rules, applicable policies. Every Board Member and Senior Management must comply with the letter and spirit of this Code.

4. Contents of code:

- | | |
|----------|--|
| Part I | General Moral Imperatives |
| Part II | Specific Professional Responsibilities |
| Part III | Specific Additional Provisions for Board members and Senior Management |

This Code is intended to serve as a basis for ethical decision making in the conduct of professional work in relation to the Company's affairs. 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 this Code of Ethics and Conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

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5. PART-I GENERAL MORAL IMPERATIVES

5.1. Contribute to society and human well being

5.1.1 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.

5.1.2 Therefore, all Board Members 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.

5.2. Be honest and trustworthy & practice integrity

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

5.2.2. All Board Members 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 Company.

5.3. Be Fair and take action not to discriminate

5.3.1. The values of equality, tolerance, respect for others, and the principles of equity & justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

5.4. Honour confidentiality

5.4.1. The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this Code.

5.4.2. All Board Members and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the Company.

5.5. Pledge & Practice

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

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

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

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

5.5.5. Do duty conscientiously and without fear or favour.

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6. PART-II SPECIFIC PROFESSIONAL RESPONSIBILITIES

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 and Senior Management of the Company shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business 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 theirs.

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 and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

6.6. Be upright and avoid any inducements:

The Board Members 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 a contract to an agency, etc.

6.7. Observe Corporate Discipline:

The flow of communication within the Company 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.

6.8. 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.

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6.9. 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 Shareholders, 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.

6.10. Prevention of Insider Trading:

The Board Members and Senior Management shall not use or tip others on the basis of any insider information, before it is made available to the public and information about any matter has been sufficiently disseminated in public to enable the users of the information to evaluate it.

“Insider information” means any information which is not in public domain /knowledge and which can be used to influence the stakeholder’s decision like Consumers etc. in relation to the Company. The purpose of this policy is both to inform about the legal responsibilities and to make clear to the Board Members and the Management that the misuse of sensitive information is contrary to the applicable laws of India.

6.11. 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.

6.12. Protect properties of the Company:

The Board Members 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.

6.13. Corporate Opportunities:

The objective of the Board Members and Senior Management must be to serve the interests of the Company as well as its stakeholders.

The Board Members and the Senior Management are specifically prohibited from using Company’s property, information, name or position for personal gain.

They are not expected to use the information acquired or gained during the conduct of the business of the Company for their personal advantage so as to cause detriment to the Company and shall not compete with the business of the Company, directly or indirectly during the tenure as Director or Senior Management team of the Company. Such information received by them in the course of the exercise of respective duties remains the property of the Company.

The Board Members and the members of the Senior Management shall not exploit for their own personal gain, opportunities that are discovered through the use of the Company’s property, information or position **unless the opportunity is disclosed fully in writing to the Board and the Board permits to pursue such opportunity.**

If a Board Member or Senior Management reasonably believes or has a reason to believe that a contemplated transaction /dealing might be the Company’s opportunity or a competitive transaction, the Board Member or Senior Management should make full disclosure to the Board through the appropriate channel and seek its prior authorisation to pursue such transaction.

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7. PART -III SPECIFIC ADDITIONAL PROVISIONS FOR BOARD MEMBERS AND SENIOR MANAGEMENT.

Specific Additional Provisions for Board Members and Senior Management.

7.1. As Board Members and Senior Management:

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

7.1.2. Every Board Member and Senior Management shall discharge his/her duties and fulfil his/her obligations to the Company with care and due diligence.

7.1.3. Board Members and the members of the Senior Management must not engage in conduct that could be construed as sexual harassment. Unwelcome sexual advances, sexually suggestive statements or questions, offensive jokes, offensive touching or petting, requests for sexual favours, displaying or showing sexually suggestive material, and other verbal or physical conduct of a sexual nature may be forms of sexual harassment. The Company's policy prohibits retaliation against any individual who complains of, or reports an instance of, sexual harassment or participates in an investigation of a sexual harassment complaint.

7.1.4. The Board Members and Senior Management should endeavour to ensure that the Company:

- a) encourages employees to talk to their superiors and other appropriate personnel when in doubt about the best course of action in a particular situation;
- b) encourages employees to report violation of laws, rules, regulations or Company's Code of Conduct to appropriate personnel;
- c) informs employees that the Company will not allow retaliation for reports made in good faith.

7.1.5. Each Board Member and Senior Management should endeavour to deal fairly with the Company's Consumers, Employees, Officers and other stakeholders. No Board Member or Senior Management of the Company should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. In addition to strict compliance with all legal aspects, all Board Members and Senior Management are expected to observe the highest standards of business and personal ethics.

7.1.6. Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest.

Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company.

Illustrative cases can be:

- **Related Party Transactions:**

Entering into any transactions or relationship with Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).

- **Outside Directorship:**

Accepting Directorship on the Board of any other Company that competes with the business of the Company.

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- **Consultancy/Business/Employment:**

Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/ responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the company.

- **Use of Official position for personal gains:**

Should not use their official position for personal gains.

7.2. As Board Members

7.2.1. Undertake to inform the Company Secretary or Chairman cum Managing Director 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 judgment of the Board.

7.2.2. Duties of Independent Directors:

The Independent Directors shall continue to comply with the requirement of the provisions of the Companies Act, 2013 read, as amended and in force from time to time.

7.2.3. Attendance and participation in the meetings

Each Board Member shall strive to attend all meetings of the Board and/ or the Committees thereof, of which he/she is a member and participate faithfully and conscientiously so as to contribute for the development of the Company.

7.2.4. Collective responsibility

Each Board Member shall at all times honour, propagate and support the decisions taken or policies adopted at the meetings of the Board or any Committee thereof irrespective of his/her dissent or personal disagreement on the matter. Difference of opinion /perceptions, if any, amongst the Board Members must be discussed internally and be resolved amicably, through dialogue in a congenial atmosphere extending full respects to the Chair.

7.2.5. Duties of Directors and Independent Director, Role & function of Independent Directors, as prescribed in the Revised guidelines for Corporate Governance of State Power Distribution Utilities (DISCOMs) are placed at Appendix I. And shall be complied with by the Directors of the Company.

7.3. Compliance with the Code of Business Conduct and Ethics:

7.3.1. **All Members of the Board and Senior Management of 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 and Senior Management to adhere to the principles 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 Members and Senior Management does not follow this Code, the matter would be reviewed by the Board of the respective company and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

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7.4. Miscellaneous Points

7.4.1. Amendment/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, business plans or otherwise as may be 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

In case of any clarification or interpretational issues arising out of or relating to any of the provisions of the said Code, the same be referred to the Managing Director whose decision shall be final.

7.4.3. Acknowledgement of receipt of this code:

All Board members and senior Management Personnel shall acknowledge receipt of this code or any modification(s) thereto, in the acknowledgement form as at Appendix-II and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this Code.

7.4.4. Annual compliance reporting

All Board members and Senior Management Personnel shall affirm compliance of this code within 30 days of close of every financial year. A Performa of Annual Compliance report is at Appendix-III. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Board member or Senior Management Personnel leaves the Company at any time during a financial year, he shall send a communication to the Company Secretary affirming compliance of the code till date of his association with the Company.

7.4.5. Administration and waiver

Any waiver of any provision of this Code for Board Members or Senior Management of the Company may be granted only by the Board of Directors of the respective Company. Any waiver must be accompanied by appropriate justifications and controls designed to protect the Company.

7.4.6. Placement of the Code on Website

This Code and any amendments thereto shall be hosted on the website of the Company.

7.4.7. The extracts of the relevant provisions of the Companies Act, 2013 are placed at Appendix IV.



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Appendix-I

Duties of Directors and Independent Director, Role & function of Independent Directors, as prescribed in the Revised guidelines for Corporate Governance of State Power Distribution Utilities (DISCOMs).

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Appendix-II

ACKNOWLEDGEMENT OF RECEIPT OF
CODE OF BUSINESS CONDUCT & ETHICS POLICY
FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF
MeECL/MePDCL/MePGCL/MePTCL

To,
The Company Secretary
MeECL/MePDCL/MePGCL/MePTCL
Shillong -793001.

I have received and read the common Code of Business Conduct & Ethics Policy for Board Members and Senior Management of Meghalaya Energy Corporation Limited and its three subsidiary companies namely Meghalaya Power Distribution Corporation Ltd., Meghalaya Power Transmission Corporation Ltd. and Meghalaya Power Generation Corporation Ltd.

I understand the standards and policies contained in the said Code of Business Conduct & Ethics Policy 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 & Ethics Policy.

If I have questions concerning the meaning or application of the said Code of Business Conduct & Ethics Policy, any policies of the Company or the legal and regulatory requirements applicable to my job, I know I can consult the Director (Corporate Affairs)/ Company Secretary/ any other officer specifically designated by the Board of Directors, in this regard, knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st of March of every financial year.

Signature.....

Name.....

Designation.....

Employee Number (wherever applicable).....

Place:.....

Date:.....



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Appendix-III

AFFIRMATION
CODE OF BUSINESS CONDUCT & ETHICS POLICY
FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF
MeECL/MePDCL/MePGCL/MePTCL

(By Board Members/Senior Management of the Company on Annual basis by 30th April of every financial year.)

To,
The Company Secretary
MeECL/MePDCL/MePGCL/MePTCL
Shillong -793001.

I,.....(name).....
.....(designation) having read and understood the Code of Business Conduct & Ethics Policy for Board Members and Senior Management, hereby solemnly affirm that I have complied with and have not violated any of the provisions of the Code during the year ended 31st March.....

Signature.....

Name.....

Designation.....

Employee Number (wherever applicable).....

Place:.....

Date:.....

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Appendix-IV

EXTRACTS FROM THE COMPANIES ACT, 2013

- **Section 2 (76)** of the Companies Act, 2013 defines the “related party”, with reference to a company, means—

(i) a director or his relative;

(ii) a key managerial personnel (MD/WTD/CFO/Company Secretary/CEO) 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 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;

(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;

(prescribed under the Rules : 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.

- **Section 2 (77)** of the Companies Act, 2013: Relative with reference to any person, means 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) one person is related to the other in such manner as may be prescribed;

Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014 prescribes the List of Relatives in terms of clause (77) of Section 2:

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

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)

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