



Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions



1. Introduction:

The Board of Directors of Amarjothi Spinning Mills Limited (“the Board”) has adopted following Policy and procedures with regard to Materiality of Related Party Transactions and dealing with Related Party Transactions of the Company in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any amendment or modification thereof) and also to comply with the provisions of Section 188 of the Companies Act, 2013.

The Company believes that any dealings with a related party must be conducted in such a way that no preferential treatment is given and adequate disclosures/ or permissions are made/ sought as required by law and applicable policies of the Company. As such, this policy provides a framework to regulate transactions between the Company and its related parties and also lays down mechanism for identification, approval, review and reporting of such transactions.

This policy is revised version of the Related Party Transaction Policy adopted by the Company from time to time and is effective from 06th April, 2026.

2. Purpose:

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act 2013 (“Companies Act”) read with the rules framed thereunder and the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as SEBI Regulations, 2015).

Also, Regulation 23(1) of SEBI Regulations, 2015 requires a listed company to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

In the light of the above, The Company has revised its Policy on Related Party Transactions (“Policy”). This Policy has been adopted by the board of directors of Amarjothi Spinning Mills Limited (“Board”) based on the recommendations of the audit committee of the Board (“Audit Committee”). Going forward, the Audit Committee would review and amend, if required, the Policy at least once in three years, subject to the approval of the Board.

The objective of the Policy is to set out to evaluate (a) the materiality thresholds for related party transactions to be entered into by the Company, for the purpose of ascertaining



whether the said transactions will need to be placed before shareholders of the Company for their approval; and (b) the manner of dealing with related party transactions to be entered into between the Company, in accordance with the relevant provisions of the Companies Act, the SEBI Regulations, 2015 and any other laws and regulations as may be applicable to the Company from time to time.

3. Definitions:

“Act” means the Companies Act, 2013 as amended from time to time;

“Audit Committee” shall mean the audit committee constituted by the Board from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations.

“Board of Directors” or **“Board”** means the collective body of the Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations.

“SEBI Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

“Associate Company” or **“associate”** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

For the purpose of this definition

- a) **“significant influence”** means control of at least 20% of total voting power, or control of or participation in business decisions under an agreement;
- b) **“joint venture”** means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

“Regulation 23” means the Regulation 23 of the SEBI Listing Regulations.

“Arm’s Length Transaction” means a transaction between two related parties that is as if they were unrelated parties, so that there is no conflict of interest;

“Company” means Amarjothi Spinning Mills Limited;

“Relative” with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder;

“Related Party” shall have the meaning as defined in Section 2(76) of the Act and 2(1)(zb) of the SEBI Listing Regulations.



"Related Party Transaction" have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended, and shall mean a transaction involving a transfer of resources, services or obligations between:

- a. the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand;
- b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023

regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract

"Material Related Party Transaction" shall be a transaction with a related party as specified under SEBI (LODR) Regulations 2015 and as amended from time to time. Accordingly, transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in schedule XII of the SEBI (LODR) Regulations, 2015 as mentioned below or as amended from time to time:

Consolidated Turnover of Listed Entity	Threshold
i. Up to ₹20,000 Crore	10% of the annual consolidated turnover of the Company
ii. More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the Company above ₹20,000 Crore
iii. More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the Company above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

Explanation: For computing the thresholds stated above, the annual consolidated turnover of the Company shall be determined based on the last audited financial statements of the listed entity.

Notwithstanding the above, a transaction involving payments made to related party with respect to brand usage or royalty shall be considered material, if the transactions to be entered into individually or taken together with the previous transactions during a financial year exceeds 5% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.



‘Office or place of profit’ shall be as defined in explanation (a) to Section 188 of the Companies Act, 2013. Accordingly, the expression “office or place of profit” means any office or place

- 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;
- 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.

“Holding company” in relation to one or more other companies means a company of which such companies are subsidiary companies.

“Key Managerial Personnel” means the following officers of a company:

- (i) Managing director or Chief Executive Officer or the manager;
- (ii) Company Secretary;
- (iii) Whole-time director;
- (iv) Chief Financial Officer; and
- (v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) Such other officer as may be prescribed under the Companies Act or the rules thereunder, from time to time.

“Material Modification” will mean and include any modification to an existing related party transaction having variance of 25% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be or such modification which would make the transaction less favourable to the Company

“Ordinary course of business” means a transaction, contract or arrangement: includes but not limited to a term for activities that are necessary, normal, and incidental to the business. These are common practices and customs of commercial transactions. In law, the ordinary course of business covers the usual transactions, customs and practices of a certain business and of a certain firm. Indicative factors for determining term ordinary course of business:



- i. carried out in the normal course of business envisaged in accordance with the memorandum of association of the Company, as amended from time to time;
- ii. which is consistent with the historical practice of the Company, with a pattern of frequency;
- iii. which is consistent with the common commercial practice;
- iv. Sale of Goods, Materials and Services;
- v. Purchase of Goods, Materials and Services;
- vi. Payment of expenses of Joint Venture Company;
- vii. Reimbursement of actual out of pocket expenses incurred from/to the Company to/from the Related Party;
- viii. Reimbursement of ESOP Expenses from subsidiaries;
- ix. Payment of remuneration (including sitting fee and ESOP, if any) to Related Parties from the company or subsidiaries, where they are working in a whole time position or as a director.
- x. as may be decided by the Board or the Audit Committee from time to time

“Ordinary Course of Business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association. The Audit Committee may lay down principles from time to time for determining ordinary course of business in accordance with statutory requirements and other industry practices and guidelines.

“Policy” means Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions.

“Subsidiary company” or **“subsidiary”**, in relation to any other company (that is to say the holding company), means a company in which the holding company:

- i. controls the composition of the board of directors; or
- ii. exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies.

“Industry Standards” shall mean the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” as notified by SEBI vide its circular dated February 14, 2025 or as amended from time to time.



Provided that the following shall not be a related party transaction:

- a) The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) The following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. Payment of dividend
 - ii. Subdivision or consolidation of securities
 - iii. Issuance of securities by way of a rights issue or a bonus issue; and
 - iv. Buy-back of securities.
- c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board
- d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:
Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
- e) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors:

Further, unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013/ Listing Regulations as may be amended from time to time and shall have the meaning respectively assigned to them therein.

4. Identification of Potential Related Party Transactions:

Each director and Key Managerial Personnel is required to give notice of disclosure of interest under section 184 of the Companies Act 2013, along with their list of relatives to the Company. The Company shall collate the data and shall at all times maintain database of Company's Related Parties and shall ensure that no transaction is entered into with any Related Party without requisite approvals.

Further each director, KMP is also responsible for providing notice to the Board or Audit Committee of any potential RPT involving him or her or his or her relative, including any additional information about the transaction that Board/Audit Committee may reasonably request.

5. Factors to be considered while granting approval Related Party Transactions:



The Audit Committee/Board will consider the following factors, among others, to the extent relevant to the RPT while granting the approval-

- ❖ Whether the terms of the RPT are fair and on arm's length basis to the Company 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 RPT and the nature of alternative transactions, if any;
- ❖ Whether the RPT would affect the independence of an Independent Director;
- ❖ Whether the transaction qualifies to be a transaction in ordinary course of business;
- ❖ Whether the transaction is in the interest of the Company;
- ❖ Whether the RPT would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the terms and size of the transaction, the purpose and timing of the transaction, the direct or indirect nature of the transaction, Key Managerial Personnel's or other Related Party's interest in the transaction.

6. Procedure for approval of Related Party Transactions:

a) Audit Committee Approval

- The RPT would be approved by only the Independent members of Audit Committee as per Regulation 23(2) of SEBI (LODR) Regulation, 2013.
- All Related Party Transactions and their subsequent material modifications shall require prior approval of the Audit Committee whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 along with Rules made thereunder, or by Secretarial Standards, or as per Regulation 23(2) of SEBI (LODR) Regulations, 2013.
- Prior approval of the Audit Committee shall also be required for the following Related Party Transactions:
 - a. a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary. In case any member of the Committee is interested in the transaction proposed for approval, the interested member shall abstain from voting and only the dis-interested members shall vote on the resolution.



- b. remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the limit of materiality as stated above.
- c. The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:
 - i. (the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
 - ii. the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
 - iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
 - iv. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
 - v. any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

- The Committee may grant an omnibus approval for RPT proposed to be entered into by the Company or its subsidiary which are repetitive in nature and subject to such criteria/conditions as mentioned under the Companies Act, 2013 and Rules made thereunder and under Regulation 23(3) of Listing Regulations and such other conditions as it may consider necessary in the interest of the Company. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- The omnibus approval shall mention important relevant information such as names of related parties, nature and period of transaction, maximum amount of transactions that can be entered into and indicative base price or current contracted price along with formula for variation in the price and such other conditions as the Audit committee may deem fit.
- Company shall provide the following information, for review of the audit committee for approval of a proposed RPT:
 - i) Type, material terms and particulars of the proposed transaction;
 - ii) Name of the related party and its relationship with the company or its subsidiary,



- including nature of its concern or interest (financial or otherwise);
- iii) Tenure of the proposed transaction (particular tenure shall be specified);
 - iv) Value of the proposed transaction;
 - v) The percentage of the company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
 - vi) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the company or its subsidiary:
 - a. details of the source of funds in connection with the proposed transaction;
 - b. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - c. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;
 - d. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
 - vii) Justification as to why the RPT is in the interest of the listed entity;
 - viii) A copy of the valuation or other external party report, if any such report has been relied upon;
 - ix) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
 - x) Any other information that may be relevant
 - The basic criteria for providing omnibus approval shall be that the proposed transactions are repetitive in nature and are in the interest of the Company.
 - In case the need for Related Party Transaction cannot be foreseen, audit committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees one crore per transaction.
 - Any member of the Audit Committee having potential interest in any RPT shall recuse himself and abstain from discussing and voting on the approval of the concerned RPT.
 - The Audit committee shall review on a quarterly basis, the details of RPT entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given. In connection with any review of RPT, the committee has authority to modify or waive any requirement of this policy. The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
 - Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.



- Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- The Audit Committee shall recommend the RPT for approval of Board of Directors/ Shareholders as may be required.

b) APPROVAL OF BOARD OF DIRECTORS

- The Board shall approve such RPT as are required to be approved under section 188 of the Companies Act 2013 and/or Listing Regulations and/or transactions referred to it by the Audit Committee.
- However approval of the Board will not be required in case of transactions entered into by the company in its ordinary course of business and at arm's length.
- All material related party transactions and subsequent material modifications shall require approval of Board of Directors of the Company.
- Any member of the Board having potential interest in any RPT shall recuse himself and abstain from discussing and voting on the approval of Related Party Transaction.
- The Company may, if considered necessary, and if required by the Board of Directors or Audit Committee, seek external opinion in order to determine if the Related Party Transaction is in the Ordinary Course of Business and/or is at Arm's Length Price.

In case of specified Related Party Transaction(s) as per section 188(1) of the Companies Act, 2013 read with applicable Rules under the Companies Act, 2013 as amended and as mentioned in the table below, prior approval of Board and/or Shareholders is required as per the following:

a. Prior approval of the Board at a meeting - Transactions which are not in ordinary course of business or not on arm's length basis.

b. Prior approval of the Shareholders, by way of resolution - Transactions which are not in ordinary course of business or not on arm's length basis and beyond the following threshold limits:

Nature of Transactions	Materiality as per Companies Act, 2013 (A)	Materiality as per Listing Regulations (B)
Sale, purchase or supply of any goods or materials directly or through appointment of agents.	10% or more of Turnover of the Company	All transactions (individual or together with previous transactions during a Financial Year) with one party exceeding the lower threshold of Rs.1,000 Crore or 10% of the Annual Consolidated Turnover.
Buying, selling or disposing of property of any kind directly or through appointment of agents. 1	10% or more of Turnover of the Company	
Leasing of any kind of property	10% or more of Turnover of the Company	



Availing or rendering of any services directly or through appointment of agents.	10% or more of Turnover of the Company	However, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered (individually or taken together with previous transactions during a financial year) exceed five percent of the Annual Consolidated Turnover as per the last Audited Financial Statements.
Appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company	Monthly remuneration exceeding Rs.2,50,000/-	
Remuneration for underwriting the subscription of any securities in or derivatives thereof.	Exceeding 1% of net worth of the Company	
Any other Related Party Transactions other than that set out in the table above	-	

c) APPROVAL OF SHAREHOLDERS

- All Material RPTs and subsequent material modifications as defined in this Policy require prior approval of the shareholders through a resolution.
- All entities falling under the definition of “related parties” shall not vote to approve such resolution whether the entity is a party to the particular transaction or not.
- Information to be provided to shareholders for consideration of RPTs: The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:
 - a. A summary of the information provided by the management of the listed entity to the audit committee;
 - b. Justification for why the proposed transaction is in the interest of the listed entity;
 - c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f) above; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
 - d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
 - e. Percentage of the counter-party’s annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
 - f. Any other information that may be relevant.



7. Related Party Transactions not approved under this policy

In the event the Company becomes aware of a RPT with a Related Party that has not been approved as per this Policy, the matter shall be reviewed by the Audit Committee. The Committee shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company, including ratification by it or recommending the Board for their ratification or seeking approval of Shareholders, revision or termination of the RPT. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Committee under this Policy, and shall take any such action it deems appropriate. The Committee has authority to modify or waive any procedural requirements of this Policy.

Following transactions not to be considered as Related Party Transactions:

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee, Board of Directors or Shareholders:

- a) Any transaction that involves the providing of compensation in connection with his or her duties to the Company or to any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- b) Reimbursement made of expenses incurred by a Related Party for business purpose of the Company, or Reimbursement received for expenses incurred by the Company on behalf of a Related Party.
- c) Reimbursement of pre-incorporation expenses incurred by or on behalf of a Related Party.
- d) 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 pro rata as the Related Party.
- e) Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require prior approval by the Audit Committee.
- f) Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- g) Transactions entered into between two wholly-owned subsidiaries of the company whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

8. Disclosures & Reporting

- Particulars of contracts or arrangements with related parties referred to in Section 188 of the Companies Act, 2013 shall be disclosed in the Director's Report in the prescribed format along with justification for entering into such contracts or arrangements.
- Details of all Material RPT shall be disclosed in the Corporate Governance report on a



quarterly basis and submitted to Stock Exchange.

- The Company shall disclose the policy on dealing with RPT on its website and a web link thereto shall be provided in the Annual Report of the Company as prescribed in Schedule V of the SEBI (LODR) Regulations, 2015.
- The Company shall disclose materially significant RPT, which might have potential conflict with interest of the Company in the Annual Report.
- The Company shall submit to the Stock Exchanges disclosure of Related Party Transactions in the format as specified by the SEBI from time to time and also publish the same on its website.
- The Company shall disclose transactions with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company, in the format prescribed in the relevant accounting standards for annual results.
- The company and its subsidiaries shall in 'Corporate Governance Report' disclose Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
- The Company shall make such other disclosures as may be required in compliance with the accounting standards on RPT.
- The Company shall keep one or more registers, maintained physically or electronically as specified under Companies Act, 2013 giving separately the particulars of all contracts or arrangements with any related party and shall make the same available for inspection in accordance with the Companies Act, 2013.

9. Policy Review

This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013, Listing Regulations or any other regulations ("the Regulations") which makes any of the provisions in the Policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed and recommended by the Audit Committee at least once in every three years or as and when any changes are to be incorporate in the Policy due to change in the Regulations or as may be felt appropriate by the Audit Committee, whichever is earlier for approval of the Board of Directors. Any changes or modification on the Policy as recommended by the Audit Committee would be presented for review and approval of the Board of Directors.

❖ Amended and approved with effective from 06.04.2026.

Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”

(“RPT Industry Standards”)

Date: June 26, 2025

INDEX

Para	Subject	Page No.
	Executive Summary	[2-3]
1.	Applicability of the RPT Industry Standards	[4]
2.	Words and expressions used in the RPT Industry Standards	[5]
3.	Guidelines for placing information to the Audit Committee	[6]
4.	Minimum Information to be provided to the Audit Committee for approval (including ratification) of RPTs.	[7]
	PART A. Minimum information of the proposed RPT, applicable to all RPTs. (Para A1 to A5)	[8-11]
	PART B. Information to be provided only if a specific type of RPT is proposed to be undertaken and is in addition to Part A. <i>Seven types of RPTs have been specified</i> (Para B1 to B7)	[12-19]
	PART C. Information to be provided only if a specific type of RPT proposed to be undertaken is a <u>material RPT</u> and is in addition to Part A and Part B (with respect to such RPT). (Para C1 to C6)	[20-28]
5.	Minimum Information to be provided to the shareholders for approval of Material RPTs.	[29]

EXECUTIVE SUMMARY

1. In accordance with the provisions of Regulation 23(2), (3) and (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), prior approval of the Audit Committee and shareholders, as the case may be, is required for the Related Party Transactions¹ (“**RPTs**”).
2. The objective of these RPT Industry Standards is to provide a standard format for minimum information to be provided to the Audit Committee and Shareholders (as applicable) for review and approval of RPT.
3. Accordingly, the Industry Standards Forum (“**ISF**”) comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, formulated standards for “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction (“**Industry Standards**”), in consultation with SEBI, which were notified vide SEBI Circular dated February 14, 2025 and effective from April 01, 2025. On receipt of feedback from various stakeholders requesting extension of timeline for applicability of the Industry Standards, SEBI notified that the effective date of the Circular shall be July 01, 2025.
4. Further, stakeholders also requested for simplification of the Industry Standards. SEBI, accordingly, advised the ISF to take into consideration such feedback and review the Industry Standards. Such revised Industry Standards (referred as “**RPT Industry Standards**”) have been now finalized by the ISF, in consultation with SEBI, which will substitute the Industry Standards notified by SEBI vide Circular dated February 14, 2025, and are structured as under:
 - **Part A:** This Part of the Standards captures the minimum information of the proposed RPT and is **applicable to all RPTs**.
 - **Part B:** This Part is **applicable only if a specific type of RPT is proposed to be undertaken** and is in addition to Part A. *Seven types of RPTs have been specified.*
 - **Part C:** This Part is **applicable only if a specific type of RPT proposed to be undertaken is a Material RPT** as defined under Regulation 23(1) & (1A) of the LODR Regulations (“**Material RPTs**”); and is in addition to Part A and Part B (with respect to such RPT).

For example, if a listed entity seeks approval for a proposed RPT relating to loans, it must disclose information under Part A [sub-paras A(1) to A(6)] and Part B – Para B(2). If the proposed RPT is a Material RPT, then in addition to the disclosures under Part A and Part B – Para B(2), information under Part C – Para C(1) must also be provided.
5. The minimum information to be provided to the shareholders for approval of Material RPTs is specified in **Para 5**.

¹ The terms “related party” and “related party transaction” are as defined under LODR Regulations.

Note:

- (a) The RPT Industry Standards are only procedural in nature; the substantive compliance requirements are covered under the relevant provisions of the LODR Regulations.*
- (b) The RPT Industry Standards have been prepared in consultation with SEBI. Any modification to the RPT Industry Standards can be made only in consultation with SEBI.*
- (c) The RPT Industry Standards are in conformity with the provisions of the LODR Regulations and/or applicable SEBI Circulars. However, if a particular part of the RPT Industry Standards becomes inconsistent with subsequent changes in the LODR Regulations and/or SEBI Circular/s, the provisions of the LODR Regulations and/or the SEBI Circular/s shall prevail.*

1. Applicability of the RPT Industry Standards:

- (1) The RPT Industry Standards shall be applicable for all RPTs placed for review and approval by the Audit Committee of the listed entity, in terms of Regulation 23(2) and 23(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”).
- (2) The RPT Industry Standards shall be applicable in case of material RPTs as defined under Regulation 23(1) & 23(1A) of the LODR Regulations, which are placed for approval of both the Audit Committee and the shareholders.
- (3) The RPT Industry Standards shall not be applicable to:
 - (a) Transactions exempted under Regulation 23(5) of the LODR Regulations; and
 - (b) Quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of the LODR Regulations.
 - (c) Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) **do not exceed Rs. One Crore.**
- (4) The RPT Industry Standards shall be applicable from **the date as may be specified by the SEBI (“effective date”)**. However, it is clarified that:
 - (a) If the Audit Committee and/or shareholders have granted approval before **effective date**, for RPTs to be executed on or after **effective date**, then it will not be necessary for the listed entity to seek approval during the validity of the approval unless there is any material modification to such RPTs which is presented to Audit Committee after **effective date**.
 - (b) If omnibus approval has been granted before **effective date** for RPTs for the financial year 2025-26, then the listed entity is not required to seek fresh approval with disclosures as per the RPT Industry Standards. However, any material modification to such RPTs on or after **effective date**, shall be subject to the RPT Industry Standards.
 - (c) If a Material RPT is approved by Audit Committee before **effective date**, the RPT Industry Standards shall not apply, irrespective of whether the notice to shareholders is sent either before or on or after the **effective date**.

2. Words and expressions used in the RPT Industry Standards:

The “words and expressions” used in the RPT Industry Standards shall be construed in the following manner:

- (1) Words and expressions defined under the LODR Regulations, shall be construed in the manner they have been defined in LODR Regulations;
- (2) Words and expressions used but not defined in LODR Regulations, but defined under the SEBI Act, 1992 or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules thereof and regulations made thereunder shall have the same meaning as assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. Guidelines for placing information to the Audit Committee:

- (1) The management of the listed entity, while providing the information to the Audit Committee, shall:
 - (a) Provide information in the format specified in the RPT Industry Standards. Where a field is not applicable, it shall be indicated as 'NA', and the reason for non-applicability shall be disclosed to the Audit Committee, unless it is self-evident.
 - (b) Provide Certificate from the Chief Executive Officer (CEO)/Managing Director/Whole Time Director/ Manager and Chief Financial Officer (CFO) of the Listed Entity confirming that the terms of RPTs proposed to be entered into are in the interest of the Listed Entity.
 - (c) Provide a copy of the valuation or other report of external party, if any.
 - (d) If the audited financial statements of the related party are not available for immediately preceding financial year, it shall provide the financial extracts as relevant to/for the minimum information to be provided under the RPT Industry Standards, duly certified by the related party, as drawn from its books of accounts.
 - (e) When the related party follows a different financial year, such fact shall be disclosed.
 - (f) In case of multiple types of proposed transactions, details to be provided separately for each type of the proposed transaction – *for example, (i) the sale of goods and the purchase of goods would need to be treated as separate transactions; (ii) the sale of goods and the sale of services would need to be treated as separate transactions; (iii) the giving of loans and the giving of guarantee would need to be treated as separate transactions*
- (2) The Audit Committee may, at its discretion, comment on information provided by the management. Such comments and the rationale for not approving a RPT shall be recorded in the minutes of the meeting of the Audit Committee.
- (3) The Audit Committee may seek any additional information from the management, as it deems necessary and reasonable, to evaluate the proposed RPT.

4. Minimum Information to be provided to the Audit Committee for approval (including ratification) of RPTs.

PART A

Minimum information of the proposed RPT, applicable to all RPTs

Note: This part requires disclosure in sub-para(s) (A1 to A5) under the following headings in case of all Related Party Transaction(s):

- A(1): Basic details of the related party
- A(2): Relationship and ownership of the related party
- A(3): Details of previous transactions with the related party
- A(4): Amount of the proposed transaction(s)
- A(5): Basic details of the proposed transaction

A(1).

Basic details of the related party

S. No.	Particulars of the information	Information provided by the management
1.	Name of the related party	
2.	Country of incorporation of the related party	
3.	Nature of business of the related party	

A(2).

Relationship and ownership of the related party

S. No.	Particulars of the information	Information provided by the management
1.	Relationship between the listed entity/subsidiary¹ (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following: - Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party. - Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary). - Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary). Explanation: Indirect shareholding shall mean shareholding held through any person, over which the listed entity/Subsidiary/ related party has control². While calculating indirect shareholding, shareholding held by relatives³ shall also be considered.	

¹ The term “subsidiary”, is as defined under LODR Regulations, and accessible here: ([Link](#))

² The term “control” is as defined under LODR Regulations, and accessible here: ([Link](#))

³ The term “relative” is as defined under LODR Regulations, and accessible here: ([Link](#))

A(3).

Details of previous transactions with the related party

S. No.	Particulars of the information	Information provided by the management									
1.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year. <table> <tr> <th>S. No.</th><th>Nature of Transactions</th><th>FY 20xx-20xx (INR)</th></tr> <tr> <td></td><td></td><td></td></tr> <tr> <td></td><td></td><td></td></tr> </table> <i>Explanation: Details need to be disclosed separately for listed entity and its subsidiary.</i>	S. No.	Nature of Transactions	FY 20xx-20xx (INR)							
S. No.	Nature of Transactions	FY 20xx-20xx (INR)									
2.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.										
3.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.										

A(4).

Amount of the proposed transaction(s)

S. No.	Particulars of the information	Information provided by the management								
1.	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.									
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes or No?								
3.	Value of the proposed transactions as a percentage of the listed entity’s annual consolidated turnover for the immediately preceding financial year	%								
4.	Value of the proposed transactions as a percentage of subsidiary’s annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	%								
5.	Value of the proposed transactions as a percentage of the related party’s annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	%								
6.	Financial performance of the related party for the immediately preceding financial year:<table><tr><th>Particulars</th><th>FY 20xx-20xx (INR)</th></tr><tr><td>Turnover</td><td></td></tr><tr><td>Profit After Tax</td><td></td></tr><tr><td>Net worth</td><td></td></tr></table> Explanations: The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.	Particulars	FY 20xx-20xx (INR)	Turnover		Profit After Tax		Net worth		
Particulars	FY 20xx-20xx (INR)									
Turnover										
Profit After Tax										
Net worth										

A(5).

Basic details of the proposed transaction

S. No.	Particulars of the information	Information provided by the management
1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	
2.	Details of each type of the proposed transaction	
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	
4.	Whether omnibus approval is being sought?	<i>Yes or No</i>
5.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	
6.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	
7.	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. <i>Explanation:</i> Indirect interest shall mean interest held through any person over which an individual has control.	
	a. Name of the director / KMP	
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	
9.	Other information relevant for decision making.	

PART B

Information to be provided *only* if a specific type of RPT as mentioned below is proposed to be undertaken and is in addition to Part A,

- B(1): Sale, purchase or supply of goods or services or any other similar business transaction and trade advances
- B(2): Loans and advances (other than trade advances) or inter-corporate deposits given by the listed entity or its subsidiary
- B(3): Investment made by the listed entity or its subsidiary
- B(4): Guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee)), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary.
- B(5): Borrowings by the listed entity or its subsidiary
- B(6): Sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate¹.
- B(7): Transactions relating to payment of royalty

¹ The term “associate” is as defined under LODR Regulations, and accessible here: ([Link](#))

B(1).

Disclosure *only* in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances

S. No.	Particulars of the information	Information provided by the management
1.	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	
2.	Basis of determination of price.	
3.	In case of Trade advance (<i>of upto 365 days or such period for which such advances are extended as per normal trade practice</i>), if any, proposed to be extended to the related party in relation to the transaction, specify the following:	
	a. Amount of Trade advance	
	b. Tenure	
	c. Whether same is self-liquidating?	

B(2).

Disclosure *only* in case of transactions relating to loans and advances (other than trade advances) or inter-corporate deposits given by the listed entity or its subsidiary

S. No.	Particulars of the information	Information provided by the management
1.	Source of funds in connection with the proposed transaction. <i>Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/housing finance companies.</i>	
2.	Where any financial indebtedness is incurred to give loan, inter-corporate deposit or advance, specify the following: <i>Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.</i>	
	a. Nature of indebtedness	
	b. Total cost of borrowing	
	c. Tenure	
	d. Other details	
3.	Rate of interest at which the listed entity or its subsidiary is borrowing from its bankers/ other lenders. <i>Note:</i> (1) <i>This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.</i> (2) <i>Disclosure shall be made of borrowings undertaken by the listed entity with a comparable maturity profile to the loan/ICD being granted by the listed entity.</i>	
4.	Proposed interest rate to be charged by listed entity or its subsidiary from the related party.	
5.	Maturity / due date	
6.	Repayment schedule & terms	
7.	Whether secured or unsecured?	
8.	If secured, the nature of security & security coverage ratio	
9.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the transaction.	

B(3).

Disclosure *only* in case of transactions relating to investment made by the listed entity or its subsidiary

S. No.	Particulars of the information	Information provided by the management
1.	Source of funds in connection with the proposed transaction. <i>Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.</i>	
2.	Where any financial indebtedness is incurred to make investment, specify the following: <i>Note: This item of disclosure is not applicable to listed banks/ NBFCs /insurance companies/housing finance companies.</i>	
	a. Nature of indebtedness	
	b. Total cost of borrowing	
	c. Tenure	
	d. Other details	
3.	Purpose for which funds shall be utilized by the investee company.	
4.	Material terms of the proposed transaction	

B(4).

Disclosure *only* in case of guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary.

S. No.	Particulars of the information	Information provided by the management
1.	(a) Rationale for giving guarantee, surety, indemnity or comfort letter	
	(b) Whether it will create a legally binding obligation on listed entity?	<i>Yes or No</i>
2.	Material covenants of the proposed transaction including: (i) commission, if any to be received by the listed entity or its subsidiary; (ii) contractual provisions on how the listed entity or its subsidiary will recover the monies in case such guarantee, surety, indemnity or comfort letter is invoked.	
3.	The value of obligations undertaken by the listed entity or any of its subsidiary, for which a guarantee, surety, indemnity or comfort letter has been provided by the listed entity or its subsidiary. Additionally, any provisions required to be made in the books of account of the listed entity or any of its subsidiary shall also be specified.	

B(5).

Disclosure *only* in case of transactions relating to borrowings by the listed entity or its subsidiary

S. No.	Particulars of the information	Information provided by the management
1.	Material covenants of the proposed transaction	
2.	Interest rate (<i>in terms of numerical value or base rate and applicable spread</i>)	
3.	Cost of borrowing <i>Note: This shall include all costs associated with the borrowing</i>	
4.	Maturity / due date	
5.	Repayment schedule & terms	
6.	Whether secured or unsecured	
7.	If secured, the nature of security & security coverage ratio	
8.	The purpose for which the funds will be utilized by the listed entity / subsidiary	

B(6).

Disclosure *only* in case of transactions relating to transactions relating to sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate

S. No.	Particulars of the information	Information provided by the management		
1.	Bidding or other process, if any, applied for choosing a party for sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity.			
2.	Basis of determination of price.			
3.	Reasons for sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate.			
4.	Financial track record of the subsidiary / undertaking that is being sold (in case of sale of undertaking, segment level data to be provided) during the last three financial years:			
		<i>FY 20xx-20xx</i> (INR)	<i>FY 20xx-20xx</i> (INR)	<i>FY 20xx-20xx</i> (INR)
	Turnover			
	Net worth			
	Net Profit			
5.	Expected financial impact on the consolidated turnover, net worth and net profits of the listed entity or its subsidiary due to sale of the subsidiary / undertaking.			
	a. Expected impact on turnover			
	b. Expected impact on net worth			
	c. Expected impact on net profits			

B(7).

Disclosure only in case of transactions relating to payment of royalty

S. No.	Particulars of the information	Information provided by the management
1.	Purpose for which royalty is proposed to be paid to the related party in the current financial year. <i>Note: For companies with a composite license agreement that includes a bundle of intellectual property rights (IPRs) such as brands, patents, technology and know-how, <u>state the key components</u> of such agreements and <u>the reasons</u> royalty attributable to those key components could not be furnished separately.</i>	
	a. For use of brand name / trademark	<i>As a % of total royalty proposed to be paid</i>
	b. For transfer of technology know-how	<i>As a % of total royalty proposed to be paid</i>
	c. For professional fee, corporate management fee or any other fee	<i>As a % of total royalty proposed to be paid</i>
	d. Any other use (specify)	<i>As a % of total royalty proposed to be paid</i>
2.	(a) The listed entity may confirm whether the parent company charges royalty at a uniform rate from all group companies in other jurisdiction. (b) If No, furnish information below. If royalty is paid to the parent company, disclose royalty received by the parent company from group entities in other jurisdiction: - Minimum rate of royalty charged along with corresponding absolute amount - Maximum rate of royalty charged along with corresponding absolute amount <i>Note: The disclosure shall be made on a gross basis (Cost to the Company), including taxes paid on behalf of the recipient of royalty.</i>	Yes or No? %
3.	Sunset Clause for Royalty payment, if any.	

PART C

Information to be provided only if a specific type of RPT mentioned below proposed to be undertaken is a *material RPT* and is in addition to Part A and B

Note: This part requires disclosure under sub-para C1 to C6, as may be applicable, in addition to disclosures in Part A and Part B, only in case of material RPTs relating to:

- C(1): Transactions relating to any loans and advances (other than trade advance) or inter-corporate deposits given by the listed entity or its subsidiary.
- C(2): Investment made by the listed entity or its subsidiary.
- C(3): Guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary.
- C(4): Borrowings by the listed entity or its subsidiary.
- C(5): Sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate.
- C(6): Transactions relating to payment of royalty.

C(1).

Disclosure *only* in case of transactions relating to any loans and advances (other than trade advances), inter-corporate deposits given by the listed entity or its subsidiary

S. No.	Particulars of the information	Information provided by the management
1.	Latest credit rating of the related party <i>Note: Standalone rating to be provided while option to provide structured obligation rating (SO rating) and credit enhancement rating (CE rating), if any</i>	
2.	Default on borrowings, <i>if any</i>, over the last three financial years, by the related party from the listed entity or any other person and value of subsisting default. <i>Note: This information may be provided to the extent it is available in the public domain or as may be provided by the related party upon request.</i> In addition, state the following: - Whether the account of the related party has been classified as a non-performing asset (NPA) by any of its bankers and whether such status is currently subsisting; - Whether the related party has been declared a “wilful defaulter” by any of its bankers and whether such status is currently subsisting; - Whether the related party is undergoing or facing any application for commencement of an insolvency resolution process or liquidation; - Whether the related party, not being an MSME, suffers from any of the disqualifications specified under Section 29A of the Insolvency and Bankruptcy Code, 2016. <i>Note: Past defaults that are no longer subsisting and have been cured or regularized need not be disclosed.</i>	
	FY 20xx-20xx	
	FY 20xx-20xx	
	FY 20xx-20xx	

C(2).

Disclosure *only* in case of transactions relating to any investment made by the listed entity or its subsidiary

S. No.	Particulars of the information	Information provided by the management
1.	Latest credit rating of the related party <i>Note:</i> a. <i>Standalone rating to be provided while option to provide structured obligation rating (SO rating) and credit enhancement rating (CE rating), if any.</i> b. <i>This shall be applicable in case of investment in debt securities.</i>	
2.	Whether any regulatory approval is required. If yes, whether the same has been obtained.	

C(3).

Disclosure *only* in case of transactions relating to any guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary

S. No.	Particulars of the information	Information provided by the management
1.	If guarantee, performance guarantee (in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter is given in connection with the borrowing by a related party, provide latest credit rating of the related party <i>Note:</i> a. Standalone rating to be provided while option to provide structured obligation rating (SO rating) and credit enhancement rating (CE rating), if any. b. This information may be provided to the extent it is available in the public domain or as may be provided by the related party upon request.	
2.	Details of solvency status and going concern status of the related party during the last three financial years: <i>FY 20xx-20xx</i> <i>FY 20xx-20xx</i> <i>FY 20xx-20xx</i>	
3.	The value of obligations undertaken by the listed entity or any of its subsidiary, for which a guarantee, performance guarantee (in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee)-surety, indemnity or comfort letter has been provided by the listed entity or its subsidiary. Additionally, any provisions required to be made in the books of account of the listed entity or any of its subsidiary shall also be specified.	
4.	Default on borrowings, <i>if any</i>, over the last three financial years, by the related party from the listed entity or any other person. <i>Note: This information may be provided to the extent it is available in the public domain or as may be provided by the related party upon request.</i>	

	In addition, state the following: a) Whether the account of the related party has been classified as a non-performing asset (NPA) by any of its bankers and whether such status is currently subsisting; b) Whether the related party has been declared a “wilful defaulter” by any of its bankers and whether such status is currently subsisting; c) Whether the related party is undergoing or facing any application for commencement of an insolvency resolution process or liquidation; d) Whether the related party, not being an MSME, suffers from any of the disqualifications specified under Section 29A of the Insolvency and Bankruptcy Code, 2016. <i>Note: Past defaults that are no longer subsisting and have been cured or regularized need not be disclosed.</i>	
	FY 20xx-20xx	
	FY 20xx-20xx	
	FY 20xx-20xx	

C(4).

Disclosure *only* in case of transactions relating to borrowings by the listed entity or its subsidiary

S. No.	Particulars of the information	Information provided by the management
1.	Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements <i>Note: This shall not be applicable to listed banks/NBFC/insurance companies/housing finance companies.</i>	
	a. Before transaction	
	b. After transaction	
2.	Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements <i>Note: This shall not be applicable to listed banks/NBFC/insurance companies/ housing finance companies.</i>	
	a. Before transaction	
	b. After transaction	

C(5).

Disclosure *only* in case of transactions relating to sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate

S. No.	Particulars of the information	Information provided by the management
1.	Details of earlier sale, lease or disposal of assets of the same subsidiary or of the unit, division or undertaking of the listed entity or disposal of shares of the same subsidiary or associate to any related party during the preceding twelve months.	
2.	Whether the transaction would result in issue of securities or consideration in kind to a related party? If yes, please share the relevant details.	
3.	Would the transaction result in eliminating a segment reporting by the listed entity or any of its subsidiary?	
4.	Does it involve transfer of key intangible assets or key customers which are critical for continued business of the listed entity or any of its subsidiary?	
5.	Are there any other major non-financial reasons for going ahead with the proposed transaction?	

C(6).

Disclosure *only* in case of transactions relating to payment of royalty

S. No.	Particulars of the information	Information provided by the management
1.	Gross amount of royalty paid by the listed entity or subsidiary to the related party during each of the last three financial years	
	<i>FY 20xx-20xx</i>	<i>Amount of royalty</i>
	<i>FY 20xx-20xx</i>	<i>Amount of royalty</i>
	<i>FY 20xx-20xx</i>	<i>Amount of royalty</i>
2.	Purpose for which royalty was paid to the related party during the last three financial years. <i>Explanation: For companies with a composite license agreement that includes a bundle of intellectual property rights (IPRs) such as brands, patents, technology and know-how, state the key components of such agreements and the reasons royalty attributable to those key components could not be furnished separately.</i>	
	a. For use of brand name / trademark	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>
	b. For transfer of technology know-how	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>
	c. For professional fee, corporate management fee or any other fee	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>
	d. Any other use (specify)	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>
3.	Royalty paid in last 3 FYs as % of Net Profits of previous FYs	
	<i>FY 20xx-20xx</i>	<i>%</i>
	<i>FY 20xx-20xx</i>	<i>%</i>
	<i>FY 20xx-20xx</i>	<i>%</i>
4.	Percentage or Rate at which royalty has increased in the past 3 years, if any, vis-à-vis rate at which the turnover and profits after tax have increased during the same period.	<i>%</i>

5.

Peer Comparison:

Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any relevant Industry Peer pays royalties for the same purpose, which is disclosed in its audited annual financial statements for the relevant period:

	Listed Entity / Subsidiary	Peer 1	Peer 2	Peer 3
Royalty payment over last 3 years	Aggregate amount	Aggregate amount	Aggregate amount	Aggregate amount
Royalty paid as a % of net profits over the last 3 years	%	%	%	%
Annual growth rate of Turnover over last 3 years	%	%	%	%

Explanation: In the case of the payment of, the criteria for comparison with Industry Peers shall be as follows:

a.

The Listed Entity will compare the royalty payment with a minimum of three suitable and relevant Industry Peers (i.e. apple to apple comparable Industry Peers), where feasible.

b.

In cases where fewer than three Industry Peers are available, the listed entity will disclose, that only one or two peers are available for comparison.

c.

If the listed entity is part of any sectoral index, the listed entity is to consider the other constituents of such sectoral index for the purpose of peer comparison which are in similar line of business.

d.

In case there are no Industry Peers, the Listed Entity shall state that no Industry Peers are available for comparison.

5. Minimum Information to be provided to the shareholders for approval of Material RPTs:

- (1) The explanatory statement contained in the notice to the shareholders for seeking their approval for an RPT shall provide the minimum information so as to enable the shareholders to take a view whether the terms and conditions of the RPT are favorable to the listed entity.
- (2) The notice to the shareholders seeking approval for any material RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:
 - (a) Information as placed before the Audit Committee in the format as specified in the RPT Industry Standards, to the extent applicable.
 - (b) Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT.
 - (c) Disclose the fact that the Audit Committee has reviewed the certificates provided by the CEO/ Managing Director/ Whole Time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards.
 - (d) Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.
 - (e) Provide web-link and QR Code, through which shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.
 - (f) The Audit Committee and Board of Directors, while providing information to the shareholders, can approve redaction of commercial secrets and such other information that would affect competitive position of listed entity and affirm that, in its assessment, the redacted disclosures still provides all the necessary information to the public shareholders for informed decision-making.
 - (g) Any other information that may be relevant.
