

Kalyan Capitals Limited

RELATED PARTY TRANSACTION POLICY

(Amended in the Board Meeting held on 14.11.2025)

RELATED PARTY TRANSACTION POLICY

1. Preamble

The Board of Directors (the “Board”) of Kalyan Capitals Limited (the “Company” or “KCL”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee and the Board shall review the Policy once in every three years and may amend this policy as required.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Purpose

This policy is amended as per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. Definitions

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and Companies Act, 2013.

“Board” means Board of Directors of the Company

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer

“Material Related Party Transaction” would mean the following:

- A) a transaction with a related party if the transaction/transactions to be entered individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such other limit in terms of the listing regulations in force from time to time.

B) 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 into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the Company as per the last audited financial statements.

Provided that a 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of Company as per the last audited financial statements of the Company, whichever is lower (w.e.f. April 1, 2022).

“Policy” means Related Party Transaction Policy.

“Related Party” means, a person or an entity:

- (i) which is a related party under Section 2(76) of the Companies Act, 2013, as amended from time to time; or
- (ii) which is a related party under the applicable accounting standards.
- (iii) which is a related party under Regulation 2(1) (zb) of the Listing Regulations.

Provided that any person or entity forming a part of the promoter or promoter group of the Company or any person or entity, holding equity shares of 20% or more in the Company either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year shall be deemed to be a related party (effective from 1st April 2022). The threshold is set to be lowered to 10% w.e.f. 1 April 2023.

Material modifications of related party transaction will mean and include any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be (w.e.f. April 1, 2022).

“Related Party Transaction” or RPTs means transaction in the nature of contract involving transfer of resources, services or obligations between the Company and the Related Party, specifically including transactions under Section 177 and Section 188 of the Act including rules thereof, as defined in applicable accounting standards and as defined in Regulation 2(1) (zc) of the Listing Regulations.

Further, w.e.f April 1, 2022 “related party transaction” would mean a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand;

Further, w.e.f April 1, 2023 “related party transaction” would mean a transaction involving a transfer of resources, services or obligations between a listed entity 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 listed entity or any of its subsidiaries. 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.

“Relative” means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if –

- i. They are members of a Hindu undivided family;
- ii. They are husband and wife; or
- iii. Father (including step-father)
- iv. Mother (including step-mother)
- v. Son (including step-son)
- vi. Son’s wife

- vii. Daughter
- viii. Daughter's husband
- ix. Brother (including step-brother)
- x. Sister (including step-sister)

"Office or Place of Profit" means any office or place:

- a. 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;
- b. 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."

"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.

4. Policy

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

4.1 Identification of Potential Related Party Transactions

Every Director and Key Managerial Personnel will be responsible for providing a Disclosure of Interest pursuant to Section 184 of the Companies Act, 2013 in the prescribed format, to the Company Secretary on an annual basis and upon any subsequent modifications in the last disclosure provided. The Company shall ensure that no transaction is entered into with any Related Party without requisite approvals.

B. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:

I. AUDIT COMMITTEE APPROVAL:

Every Related Party Transaction and subsequent modifications shall be subject to the prior approval of the Audit Committee whether at a meeting or by a resolution by circulation.

Every related party transaction to be entered into by the subsidiary of the Company to which 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:

- (a) With effect from April 1, 2022, 10% of the annual consolidated turnover, as per the last audited financial statements of the Company; or
- (b) With effect from April 1, 2023, 10% of standalone turnover, as per the last audited financial statements of the subsidiary.

However, prior approval of the audit committee shall not be required for a related party transaction to which listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of Listing regulations are applicable to such listed subsidiary;

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 provisions of sub-regulation (1) of this regulation.

For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to above, the prior approval of the audit committee of the listed subsidiary shall suffice.

- The Audit Committee shall be provided such details as may be required to assess the RPTs including the information required to be provided as per the Companies Act, 2013 and Listing Regulations.
- All Related Party Transactions and subsequent modifications shall require prior approval of the Audit Committee.

However, the Audit Committee may grant **omnibus approval for Related Party Transaction(s) proposed to be entered into by the company** subject to the following conditions:

- (i) The Related Party Transaction proposed to be entered into with the Company must be repetitive in nature and in ordinary course of business and at Arm's Length basis.
- (ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- (iii) Such omnibus approval shall specify (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transaction(s) subject to their value not exceeding Rs.1 crore per transaction.

- (iv) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- (v) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of one financial year.
- (vi) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

Transaction(s), other than transactions referred to under Section 188 of the Companies Act, 2013 entered into between holding company and its wholly owned subsidiary or between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Holding Company and placed before the shareholders at General Meetings for approval shall not require approval of the Audit Committee.

Notwithstanding the foregoing the following Related Party Transactions shall not require approval of Audit Committee or shareholders:

- (i) Any transaction that involves the providing of compensation to a director or KMP in connection with his or her duties to the Company or any of its subsidiaries or associates including the reimbursement of reasonable business and travel expenses incurred in the Ordinary Course of Business.
- (ii) 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.

II. BOARD APPROVAL:

If the Committee determines that a Related Party Transaction should be brought before the Board, or where Committee does not approve the transaction shall make its recommendation to the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be appropriate under the circumstances.

A Director, if interested in any Related Party Transaction, shall not be present at the meeting, whether physically or through Electronic mode, during discussions and shall not vote on such item.

III. SHAREHOLDERS APPROVAL:

All Material Related Party Transactions and subsequent material modifications thereof shall require prior approval of the shareholders through resolution. No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of the shareholders of a Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of listing regulations are applicable to such listed subsidiary.

For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

All the transactions, other than the Material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require prior approval of the shareholders through resolution, if so required under any law, and the Related Parties shall abstain from voting on such resolution.

Any Related Party Transaction or Material Related Party Transaction if entered into with a Wholly Owned Subsidiary, whose accounts are consolidated with the Company and placed before the shareholders of the Company at General Meetings for approval, shall not require approval of the Shareholders.

Any related party transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with Company and placed before the shareholders at the general meeting for approval, shall not require approval of the shareholders.

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 information as required under Regulation.

Materiality Thresholds for Related Party Transactions:

The RPTs which crosses the Materiality thresholds as mentioned below shall be entered by the Company only with prior approval of shareholders of the Company through resolution, as per applicable provisions of the Act and the Listing Regulations, as may be amended from time to time.

1. The Company has fixed its materiality threshold of Rs.1000 crore or 10% of the annual consolidated turnover of the Company as per last audited financial statements of the

company for the purpose of Regulation 23 (4) of SEBI (LODR) Regulations, 2015, whichever is lower.

2. Any other Related Party Transaction shall be placed before the Shareholders for approval, as per the threshold limits mentioned and in terms of the provisions of Section 188 of the Companies Act, 2013 read with relevant Rules.

4.2 Prohibitions related to Related Party Transactions

All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify
 - (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
 - (ii) the indicative base price/current contracted price and the formula for variation in the price if any and
 - (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

4.3 Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse him or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. The suggested details and list of records and supporting documents which are required to be provided along with the Notice of the proposed transaction are provided in **Annexure 1** to this Policy.

The Company Secretary in consultation with the Chief Financial Officer may refer any potential related party transaction to any external legal/transfer pricing expert and the outcome or

opinion of such exercise shall be brought to the notice of the Audit Committee. Based on this Notice, the Company Secretary will take it up for necessary approvals under this Policy.

In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arms-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 Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

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

- i) Any transaction that involves the providing of compensation to a Director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii) 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.

4.4 Disclosure and Reporting of Related Party Transactions

Every Related Party Transaction entered into by the Company shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction. The Company Secretary and the Chief Financial Officer shall be responsible for such disclosure. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and

circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company and shall be hosted on the website of the Company and web link thereto shall be provided in the annual report of the Company.

6. Scope Limitation

In the event of any conflict between the provisions of this Policy and of the Listing Regulations/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations/ Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy

Annexure A



National Stock Exchange of India

Circular

Department: Listing

Circular Ref. No: NSE/CML/2025/05

Date: February 15, 2025

To,
All Listed Entities

Subject: SEBI Circular on the Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction.

Dear Sir / Madam,

This is with reference to SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated February 14, 2025, issued by the Securities and Exchange Board of India (SEBI) titled "Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction."

A copy of SEBI Circular dated February 14, 2025, along with the Industry Standards note on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction, is enclosed for your reference and necessary action at your end.

The copy of the circular is also available on the NSE website (www.nsindia.com).

This is for your information please.

Yours Faithfully
For National Stock Exchange of India Ltd.

Dhaval Shah
Senior Manager- Listing Compliance

Encl:

1. SEBI Circular
2. Industry Standards note on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction.

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CIRCULAR

SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18

February 14, 2025

To,

All listed entities

All the recognized Stock Exchanges

The Associated Chambers of Commerce and Industry of India (ASSOCHAM)

Federation of Indian Chambers of Commerce and Industry (FICCI)

Confederation of Indian Industry (CII)

Dear Sir/Madam,

Sub: Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction”

1. Regulation 23(2), (3) and (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) require related party transactions (“**RPTs**”) to be approved by the audit committee and by the shareholders, if material. Part A and Part B of Section III-B of SEBI Master Circular dated November 11, 2024¹ (“**Master Circular**”) specify the information to be placed before the audit committee and shareholders, respectively, for consideration of RPTs.
2. In order to facilitate uniform approach and assist listed entities in complying with the above mentioned requirements, the Industry Standards Forum (“**ISF**”) comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, has formulated industry standards, in consultation with SEBI, for minimum information to be provided for review of the audit committee and shareholders for approval of RPTs. The industry associations which are part of ISF ([ASSOCHAM](#), [FICCI](#), and [CII](#)) and the stock exchanges shall publish the industry standards on their websites.
3. The listed entities shall follow the aforesaid industry standards to ensure compliance with Part A and Part B of Section III-B of the Master Circular read with Regulation 23(2), (3) and (4) of LODR Regulations.

¹ Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities

4. Section III-B of the Master Circular shall stand modified as given below:
 - 4.1. Paragraph 4 under Part A of Section III-B shall stand substituted by the following paragraph:

“The listed entity shall provide the audit committee with the information as specified in the Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction”, while placing any proposal for review and approval of an RPT.”
 - 4.2. Paragraph 6 under Part B of Section III-B shall stand substituted by the following paragraph:

“The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction”.”
5. This circular shall come into effect from April 1, 2025.
6. The Stock Exchanges are advised to bring the contents of this circular to the notice of their listed entities and ensure its compliance.
7. This circular is issued in exercise of the powers conferred under Section 11(1) and 11A of the Securities and Exchange Board of India Act, 1992 read with regulation 101 of LODR Regulations.
8. This circular is available on SEBI website at www.sebi.gov.in under the category: ‘Legal → Circulars’.

Yours faithfully,

Raj Kumar Das
Deputy General Manager
Corporation Finance Department
Tel. No.: +91 22 2644 9253
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Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)”

Objective and Purpose of these Standards

INTRODUCTION:

In accordance with the provisions of Regulation 23(2), (3) and (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), the prior approval of the Audit Committee and shareholders, as the case may be, is required for the approval of Related Party Transactions (RPTs) by listed entities. These provisions ensure that RPTs are conducted transparently, fairly and in the best interests of the listed entity and its public shareholders. To facilitate informed decision-making, Section III-B of the SEBI Master Circular dated November 11, 2024 (“SEBI Circular”), mandates that listed entities provide detailed information on RPTs for review and approval by the Audit Committee and shareholders, wherever required. This requirement ensures that the Audit Committee and the shareholders have relevant data to assess the transaction’s nature, terms, and potential impact on the listed entity.

OBJECTIVE AND PURPOSE:

The objective of these Standards is to standardize the format for “Minimum information to be provided to the Audit Committee and the shareholders, wherever required, for review and approval of a Related Party Transaction (RPT)”.

These Standards aims to critically analyze the adequacy and clarity of the information provided, ensuring that it meets the legal and regulatory requirements set forth under the LODR Regulations and the SEBI Master Circular.

The information provided in the standardized format shall be incorporated into the agenda of the Audit Committee meeting. The comments of the Audit Committee, where applicable, shall be recorded in the minutes of the meeting. For material RPTs, the information as prescribed in these Standards shall be included in the Explanatory Statement to the Notice sent to shareholders.

These Standards have been prepared in consultation with SEBI. Any addition/ modification/ alteration to these Standards shall be made only in consultation with SEBI. These Standards are in conformity with the provisions of the LODR Regulations and/or applicable SEBI Circulars. However, if a particular Standard or any part thereof becomes inconsistent with subsequent changes in the LODR Regulations and/or SEBI Circular, the provisions of the LODR Regulations and/or the SEBI Circular shall prevail.

These Standards are available on the websites of the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) (collectively, the “Stock Exchanges”). Further, the same are hosted on the websites of the Federation of Indian Chambers of Commerce and Industry (FICCI)

accessible at <https://ficci.in/>, the Associated Chambers of Commerce & Industry of India (ASSOCHAM), accessible at <https://www.assocham.org/>, and the Confederation of Indian Industry (CII), accessible at <https://www.cii.in/>.

MAIN ASPECTS COVERED:

1. Applicability of these Standards.
2. Standards for Definitions of words and expressions used in these Standards.
3. Standards for Minimum Information to be provided to the Audit Committee for review and approval (including ratification) of RPTs.
4. Format for Minimum Information to be provided for review of the Audit Committee for Approval (including ratification) of RPTs.
5. Standards for Minimum Information to be provided to the shareholders for consideration of RPTs.

1. Applicability of these Standards:

- (1) Material RPT as defined under Regulation 23(1) & (1A) of the LODR Regulations.
- (2) Transaction(s) with a related party, where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed lower of the following:
 - (a) 2% of turnover, as per the last audited consolidated financial statements of the listed entity;
 - (b) 2% of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
 - (c) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.
- (3) These Standards shall be applicable in respect of RPTs entered into by the Listed Entity on or after 01st April, 2025, as per the following applicability matrix:

Applicability Matrix

Type of Transaction	Threshold	Balance Sheet / P&L Items	Approvals required	Disclosure requirement
Material RPT	As provided above in sub-para (1)	Both	Audit Committee + Shareholders	Comprehensive disclosures
Other RPT, but which is with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest	Exceed the threshold provided above in sub-para (2)	Balance sheet items	Audit Committee	Comprehensive disclosures
		P&L items		Comprehensive disclosures
	Less than the threshold as provided above in sub-para (2)	Balance sheet items	Audit Committee	Comprehensive disclosures
		P&L items		Limited disclosures
Residual RPT	Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year exceeding Rs. one crore	Both	Audit Committee	Limited disclosures

	Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year less than Rs. one crore			Minimum disclosures
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Explanation: For the purposes of this applicability matrix:

- (1) Promoter or promoter group shall be deemed to be concerned or interested in any person, if they in any way, whether directly or indirectly—
 - (a) where the person is a body corporate, holds more than 2% shareholding or voting rights of that body corporate, or is a promoter, managing director, manager, Chief Executive Officer of that body corporate; or
 - (b) where the person is a firm or other entity, the promoter(s) or the promoter group is a partner, owner or member, as the case may be.
- (2) **Balance Sheet items** include:
 - (a) **B(3):** Loans, inter-corporate deposits or advances given by the listed entity or its subsidiary;
 - (b) **B(4):** Investment made by the listed entity or its subsidiary;
 - (c) **B(5):** Guarantee (excluding performance guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary;
 - (d) **B(6):** Borrowings by the listed entity or its subsidiary; and
 - (e) **B(7):** 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.
- (3) **P&L items** include:
 - (a) **B(2):** Sale, purchase or supply of goods or services or any other similar business transaction; and
 - (b) **B(8):** Payment of royalty.
- (4) **Comprehensive disclosures:** All disclosures as specified in Para 4 of these Standards, as applicable to relevant RPT.
- (5) **Limited disclosures:** All disclosures as specified in Para 4 of these Standards, as applicable to relevant RPT, except the following:
 - (a) **B(2):** Rows 13 to 17;

- (b) **B(3):** Rows 31 & 32 (In both rows, provide information for the previous financial year instead of the last three financial years);
- (c) **B(4):** Row 43; and
- (d) **B(8):** Rows 78, 79, 84 & 86.

(6) Minimum disclosures: All disclosures as specified in Rows A(1), A(2), A(4), A(5) and B(1) of Para 4 of these Standards, as applicable to relevant RPT.

2. Standards for Definitions of words and expressions used in these Standards:

The “words and expressions” used in these 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. Standards for Minimum Information to be provided to the Audit Committee for review and approval (including ratification) of RPTs:

- (1) The management of the listed entity shall provide the Audit Committee with the information, as specified in Para 4 of these Standards, while placing any proposal for review and approval of a RPT.
- (2) While collecting and collating the information, the management of the listed entity shall take into account the following:
 - (a) Provide comments against each information where it is sought in the format specified in Para 4 of these Standards against transaction-based information. Indicate ‘NA’, where the field is not applicable and ‘NIL’, where no comments have been provided.
 - (b) Certificates from the CEO or CFO or any other KMP of the Listed Entity and from every director of the Listed Entity who is also promoter (“promoter director”) to the effect that:
 - (i) the RPTs to be entered into are not prejudicial to the interest of public shareholders; and
 - (ii) the terms and conditions of the RPT are not unfavorable to the listed entity, compared to the terms and conditions, had similar transaction been entered into with an unrelated party.

However, if any promoter director does not provide such certificate, the same shall be informed to the Audit Committee and the shareholders, if it is a material RPT as specified in Para 1(1) of these Standards.

- (c) Copy of the valuation or other report of external party, if any, shall be placed before the Audit Committee.
- (d) If audited financial statements of the related party as required to be submitted to Audit Committee are not available for any financial year, the financial details shall be certified by the related party.
- (e) If the related party follows a different financial year, this fact shall be disclosed.
- (f) In the case of the payment of royalty *[as provided in B(8) in the format as specified in Para 4 of these Standards]*, management fees, service fees, etc., if any, shall be explicitly bifurcated and disclosed.
- (g) In the case of the payment of royalty *[as provided in B(8) in the format as specified in Para 4 of these Standards]*, the criteria for selecting Industry Peers shall be as follows:
 - (i) The Listed Entity will strive to compare the royalty payment with a minimum of three Industry Peers, where feasible. The selection shall follow the following hierarchy:
 - A. Preference will be given to Indian listed Industry Peers.
 - B. If Indian listed Industry Peers are not available, a comparison may be made with listed global Industry Peers, if available.
 - (ii) If no suitable Indian listed/ global Industry Peers are available, the Listed Entity may refer to the peer group considered by SEBI-registered research analysts in their publicly available research reports (“Research Analyst Peer Set”). If the Listed Entity’s business model differs from such Research Analyst Peer Set, it may provide an explanation to clarify the distinction.
 - (iii) 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.
- (3) If the Audit Committee has any comments on the line items as per the format specified in Para 4 of these Standards, it shall provide them accordingly. However, comments are required only for applicable line items, while non-applicable line items may be left blank.

4. Format for Minimum Information to be provided for review of the Audit Committee for Approval (including ratification) of RPTs:

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
<u>A. Details of the related party and transactions with the related party</u>			
A(1). Basic details of the related party			
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			
4.	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party.		
5.	Shareholding or contribution % or profit & loss sharing % of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party. <i>Explanation:</i> Indirect shareholding shall mean shareholding held through any person, over which the listed entity or subsidiary has control.	% Shareholding % Contribution % P&L Sharing	

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
6.	<p>Shareholding of the related party, whether direct or indirect, in the listed entity/subsidiary (in case of transaction involving the subsidiary).</p> <p><i>Explanation:</i> Indirect shareholding shall mean shareholding held through any person, over which the related party has control. While calculating indirect shareholding, shareholding held by relatives shall also be considered.</p>	% Shareholding	

A(3). Financial performance of the related party

7.	Standalone turnover of the related party for each of the last three financial years:		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
8.	Standalone net worth of the related party for each of the last three financial years:		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
9.	Standalone net profits of the related party for each of the last three financial years:		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee																		
	<i>FY 20xx-20xx</i>																				
A(4). Details of previous transactions with the related party																					
10.	<p>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during each of the last three financial years.</p> <p>Note: Details need to be disclosed separately for listed entity and its subsidiary.</p>																				
<p><i>FY 20xx-20xx</i></p> <table border="1"> <thead> <tr> <th>S. No.</th><th>Nature of Transactions</th><th>Amount (in INR)</th></tr> </thead> <tbody> <tr> <td></td><td></td><td></td></tr> </tbody> </table> <p><i>FY 20xx-20xx</i></p> <table border="1"> <thead> <tr> <th>S. No.</th><th>Nature of Transactions</th><th>Amount (in INR)</th></tr> </thead> <tbody> <tr> <td></td><td></td><td></td></tr> </tbody> </table> <p><i>FY 20xx-20xx</i></p> <table border="1"> <thead> <tr> <th>S. No.</th><th>Nature of Transactions</th><th>Amount (in INR)</th></tr> </thead> <tbody> <tr> <td></td><td></td><td></td></tr> </tbody> </table>				S. No.	Nature of Transactions	Amount (in INR)				S. No.	Nature of Transactions	Amount (in INR)				S. No.	Nature of Transactions	Amount (in INR)			
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S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
11.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the current financial year (till the date of approval of the Audit Committee / shareholders).		
12.	Whether prior approval of Audit Committee has been taken for the above mentioned transactions?		
13.	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 three financial years.		
A(5). Amount of the proposed transactions (All types of transactions taken together)			
14.	Total amount of all the proposed transactions being placed for approval in the current meeting.		
15.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year is material RPT in terms of Para 1(1) of these Standards?		
16.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	%	

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
17.	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)	%	
18.	Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year.	%	

B. Details for specific transactions

B(1). Basic details of the proposed transaction

(In case of multiple types of proposed transactions, details to be provided separately for each type of the proposed transaction – for example, (i) sale of goods and purchase of goods to be treated as separate transactions; (ii) sale of goods and sale of services to be treated as separate transactions; (iii) giving of loans and giving of guarantee to be treated as separate transactions)

1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)		
2.	Details of the proposed transaction		
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)		
4.	Indicative date / timeline for undertaking the transaction		
5.	Whether omnibus approval is being sought?		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
6.	<p>Value of the proposed transaction during a financial year. In case approval of the Audit Committee is sought for multi-year contracts, also provide the aggregate value of transactions during the tenure of the contract.</p> <p>If omnibus approval is being sought, the maximum value of a single transaction during a financial year.</p>		
7.	<p>Whether the RPTs proposed to be entered into are:</p> <p>(i) not prejudicial to the interest of public shareholders, and</p> <p>(ii) going to be carried out on the same terms and conditions as would be applicable to any party who is not a related party</p>	<p>Certificate from the CEO or CFO or any other KMP of the listed entity and also from promoter directors of the listed entity (as referred in Para 3(2)(b) of these Standards)</p>	
8.	Provide a clear justification for entering into the RPT, demonstrating how the proposed RPT serves the best interests of the listed entity and its public shareholders.		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
9.	<p>Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.</p> <p>The details shall be provided, where the shareholding or contribution or % sharing ratio of the promoter(s) or director(s) or KMP in the related party is more than 2%.</p> <p><i>Explanation:</i> Indirect interest shall mean interest held through any person over which an individual has control including interest held through relatives.</p>		
	a. Name of the director / KMP		
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	% Shareholding	
10.	<p>Details of shareholding (more than 2%) of the director(s) / key managerial personnel/ partner(s) of the related party, directly or indirectly, in the listed entity.</p> <p><i>Explanation:</i> Indirect shareholding shall mean shareholding held through any person over which an individual has control including shareholding held through relatives.</p>		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
	a. Name of the director / KMP/ partner		
	b. Shareholding of the director / KMP/ partner, whether direct or indirect, in the listed entity	% Shareholding	
11.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.		<i>If any such report has been considered, it shall also be stated whether the Audit Committee has reviewed the basis for valuation contained in the report and found it to be satisfactory based on their independent evaluation.</i>
12.	Other information relevant for decision making.		
B(2). Additional details for proposed transactions relating to sale, purchase or supply of goods or services or any other similar business transaction			
13.	Number of bidders / suppliers / vendors / traders / distributors / service providers from whom bids / quotations were received with respect to the proposed transaction along with details of process followed to obtain bids.		<i>If the number is less than 3, Audit Committee to comment upon whether the number of bids / quotations received are sufficient</i>
14.	Best bid / quotation received. If comparable bids are available, disclose the price and terms offered.		<i>Audit committee to provide justification for rejecting the best bid /quotation and for selecting the related party for the transaction</i>

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
15.	Additional cost / potential loss to the listed entity or the subsidiary in transacting with the related party compared to the best bid / quotation received.		<i>Audit committee to justify the additional cost to the listed entity or the subsidiary</i>
16.	Where bids were not invited, the fact shall be disclosed along with the justification for the same.		
17.	Wherever comparable bids are not available, state what is basis to recommend to the Audit Committee that the terms of proposed RPT are beneficial to the shareholders.		
B(3). Additional details for proposed transactions relating to any loans, inter-corporate deposits or advances given by the listed entity or its subsidiary			
18.	Source of funds in connection with the proposed transaction. <i>Explanation:</i> This shall not be applicable to listed banks/ NBFCs.		
19.	Where any financial indebtedness is incurred to give loan, inter-corporate deposit or advance, specify the following: <i>Explanation:</i> This shall not be applicable to listed banks/ NBFCs.		
	a. Nature of indebtedness		
	b. Total cost of borrowing		
	c. Tenure		
	d. Other details		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
20.	Material covenants of the proposed transaction		
21.	<p>Interest rate charged on loans / inter-corporate deposits / advances by the listed entity (or its subsidiary, in case of transaction involving the subsidiary) in the last three financial years:</p> <ul style="list-style-type: none"> • To any party (other than related party): • To related party. <p><i>Explanations: Comparable rates shall be provided for similar nature of transaction, for e.g., long term vis-a-vis long term etc.</i></p>		<p><i>If the interest rate charged to the related party is less than the average rate charged, then Audit Committee to provide justification for the low interest rate charged.</i></p>
22.	Rate of interest at which the related party is borrowing from its bankers or the rate at which the related party may be able to borrow given its credit rating or credit score and its standing and financial position		
23.	Rate of interest at which the listed entity or its subsidiary is borrowing from its bankers or the rate at which the listed entity may be able to borrow given its credit rating or credit score and its standing and financial position		
24.	Proposed interest rate to be charged by listed entity or its subsidiary from the related party.		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
25.	Maturity / due date		
26.	Repayment schedule & terms		
27.	Whether secured or unsecured?		
28.	If secured, the nature of security & security coverage ratio		
29.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the transaction.		
30.	Latest credit rating of the related party (other than structured obligation rating (SO rating) and credit enhancement rating (CE rating))		<i>If credit rating of the related party is not available, Audit Committee to comment on credit worthiness of the related party</i>
31.	Amount of total borrowings (long-term and short-term) of the related party over the last three financial years		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
32.	Interest rate paid on the borrowings by the related party from any party in the last three financial years. <i>Explanation: Comparable rates shall be provided for similar nature of transaction, for e.g., long term vis-a-vis long term etc.</i>		<i>If the interest rate charged to the related party is less than the average rate paid by the related party, then the Audit Committee to provide justification for the low interest rate charged.</i>

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
33.	Default in relation to borrowings, if any, made during the last three financial years, by the related party from the listed entity or <i>any other person</i> .		<p><i>In case of defaults by the related party over the last three financial years, in relation to which the Listed Entity or any of its subsidiary has previously provided guarantee, indemnity or other such obligation, the management has to submit justification to Audit Committee for the proposed transaction and the capacity of the related party to service the debt (loan, deposit or advance) proposed to be given by the listed entity or its subsidiary.</i></p> <p><i>Audit Committee to comment on the justification provided by Management.</i></p>
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
<p><i>Additional details relating to advances other than loan given by the listed entity or its subsidiary</i></p>			
34.	Advances provided, their break-up and duration.		

S. No.	Particulars of the information			Information provided by the management	Comments of the Audit Committee
	S. No.	Advance given to	Amount	Duration of advance given	
	1				
	2				
35.	Advance as % of the total loan given during the preceding 12 months			%	
B(4). Additional details for proposed transactions relating to any investment made by the listed entity or its subsidiary					
36.	Source of funds in connection with the proposed transaction. <i>Explanation:</i> This shall not be applicable to listed banks/ NBFCs.				
37.	Purpose for which funds shall be utilized by the investee company.				
38.	Where any financial indebtedness is incurred to make investment, specify the following: <i>Explanation:</i> This shall not be applicable to listed banks/ NBFCs.				
	a. Nature of indebtedness				
	b. Total cost of borrowing				
	c. Tenure				
	d. Other details				
39.	Material covenants of the proposed transaction				

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
40.	Latest credit rating of the related party (other than structured obligation rating (SO rating) and credit enhancement rating (CE rating)) <i>Explanation:</i> This shall be applicable in case of investment in debt instruments.		<i>If credit rating of the related party is not available, Audit Committee to comment on credit worthiness of the related party</i>
41.	Expected annualised returns <i>Explanation:</i> This shall be applicable in case of investment in debt instruments.		
42.	Returns on past investments in the related party over the last three financial years	<i>Return on Equity</i>	<i>In case of diminishing value of investments (negative returns) over the last three financial years, Audit Committee to provide justification for the proposed investment</i>
43.	Details of asset-liability mismatch position, if any, post investment <i>Explanation:</i> This shall be applicable in case of investment in debt instruments.		
44.	Whether any regulatory approval is required. If yes, whether the same has been obtained.		
B(5). <u>Additional details for proposed transactions relating to any guarantee (excluding performance guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary</u>			

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
45.	Rationale for giving guarantee, surety, indemnity or comfort letter		
46.	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.		
47.	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.		
48.	Latest credit rating of the related party (other than structured obligation rating (SO rating) and credit enhancement rating (CE rating)), if guarantee, surety, indemnity or comfort letter is given in connection with the borrowing by a related party		<i>If credit rating of the related party is not available, Audit Committee to comment on credit worthiness of the related party</i>
49.	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>		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
	<i>FY 20xx-20xx</i>		
50.	Default on borrowings, if any, over the last three financial years, by the related party from the listed entity or any other person.		<p><i>In case of defaults by the related party over the last three financial years, in relation to which the Listed Entity or any of its subsidiary has previously provided guarantee, indemnity or other such obligation, the management has to submit justification to Audit Committee for the proposed transaction and the capacity of the related party to service the debt (loan, deposit or advance) proposed to be given by the listed entity.</i></p> <p><i>Audit Committee to comment on the justification provided by Management.</i></p>
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
B(6). Additional details for proposed transactions relating to borrowings by the listed entity or its subsidiary			
51.	Material covenants of the proposed transaction		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
52.	Interest rate (in terms of numerical value or base rate and applicable spread)		
53.	Cost of borrowing (This shall include all costs associated with the borrowing)		
54.	Maturity / due date		
55.	Repayment schedule & terms		
56.	Whether secured or unsecured?		
57.	If secured, the nature of security & security coverage ratio		
58.	The purpose for which the funds will be utilized by the listed entity / subsidiary		
59.	Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements <i>Explanation:</i> This shall not be applicable to listed banks.		
	a. Before transaction		
	b. After transaction		
60.	Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements <i>Explanation:</i> This shall not be applicable to listed banks.		
	a. Before transaction		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
	b. After transaction		
B(7). Additional details for proposed 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			
61.	Number of bidders / suppliers / vendors / traders / distributors / service providers from whom bids / quotations were received with respect to the proposed transaction along with details of process followed to obtain bids.		<i>If the number is less than 3, Audit Committee to comment upon whether the number of bids / quotations received are sufficient</i>
62.	Best bid / quotation received If comparable bids are available, disclose the price and terms offered.		<i>Audit Committee to provide justification for rejecting the best bid / quotation and for selecting the related party for the transaction</i>
63.	Additional cost / potential loss to the listed entity or the subsidiary in transacting with the related party compared to the best bid / quotation received.		<i>Audit committee to justify the additional cost to the listed entity or the subsidiary</i>
64.	Where bids were not invited, the fact shall be disclosed along with the justification for the same.		
65.	Wherever comparable bids are not available, state what is the basis to recommend to the Audit Committee that the terms of proposed RPT are beneficial to the shareholders.		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
66.	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.		
67.	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>	<i>FY 20xx-20xx</i>
	Turnover		
	Net worth		
	Net Profit		
	Net Profit Margin		
	Operating Cash Flow Margin		
	Return on Assets (RoA)		
68.	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		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
69.	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.		
70.	Whether the transaction would result in issue of securities or consideration in kind to a related party? If yes, please share the relevant details.		
71.	Would the transaction result in eliminating a segment reporting by the listed entity or any of its subsidiary?		
72.	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?		
73.	Are there any other major non-financial reasons for going ahead with the proposed transaction?		
B(8). <u>Additional details for transactions relating to payment of royalty</u>			
74.	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>	

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
75.	Purpose for which royalty was paid to the related party during the last three financial years.		<i>For companies with a composite license agreement that includes a bundle of intellectual property rights (IPRs) such as brands, patents, technology, and know-how, it is essential to understand the key components of such agreements and the reasons why these cannot be disclosed 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>	
76.	Purpose for which royalty is proposed to be paid to the related party in the current financial year		
	a. For use of brand name / trademark	<i>As a % of total royalty proposed to be paid</i>	

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
	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. <i>Any other use (specify)</i>	<i>As a % of total royalty proposed to be paid</i>	
77.	Royalty paid in last 3 FYs as % of Net Profits of previous FYs		
	<i>FY 20xx-20xx</i>	%	
	<i>FY 20xx-20xx</i>	%	
	<i>FY 20xx-20xx</i>	%	
78.	Dividend paid in last 3 FYs as % of Net Profits of previous FYs		<i>Audit Committee to comment on the reasons for less dividend payment than royalty payment, if so.</i>
	<i>FY 20xx-20xx</i>	%	
	<i>FY 20xx-20xx</i>	%	
	<i>FY 20xx-20xx</i>	%	
79.	Royalty and dividend paid or proposed to be paid during the current FY <i>Explanation:</i> The dividend proposed to be paid shall mean dividend that has been declared but not been paid yet.		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
80.	Rate at which royalty has increased in the past 5 years, if any, vis-à-vis rate at which the turnover, profits after tax and dividends have increased during the same period.		
81.	In case of new technology i.e. first year of technology transfer (<i>to be provided separately for each new technology</i>):		
	a. Expected duration of technology transfer	<i>in years</i>	
	b. Benefits derived from the technology transfer		
82.	In case of existing technology i.e. technology being imported (<i>to be provided separately for each existing technology</i>):		
	a. Years since technology transfer initiated	<i>in years</i>	
	b. Expected duration of technology transfer	<i>in years</i>	
	c. Benefits derived from the technology transfer		
83.	Details of in-house research & development, if any:		
	a. Total expenses incurred during the preceding financial year		
	b. Benefits derived		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
	c. If any in-house R&D undertaken by the listed entity or its subsidiary that will reduce or eliminate the royalty currently paid for any technology or technical know-how. Additionally, the absolute value of R&D expenditure incurred by the listed entity or its subsidiary on such in-house R&D, along with the period required for completing the research to achieve the reduction or elimination of royalty, shall be disclosed to the Audit Committee.		<i>If no expenses were incurred, the Audit Committee shall provide justification or comment on the same.</i>
84.	<p>If royalty is paid to the parent company, disclose royalty received by the parent company from foreign entities:</p> <ul style="list-style-type: none"> • Minimum rate of royalty charged along with corresponding absolute amount • Maximum rate of royalty charged along with corresponding absolute amount <p><i>Explanation:</i></p> <p>a) The disclosure shall be made on a gross basis (Cost to the Company), including taxes paid on behalf of the recipient of royalty.</p> <p>b) The listed entity may confirm whether the parent company charges royalty at a uniform rate from all group companies. If so, this row shall not be applicable.</p>	%	

S. No.	Particulars of the information		Information provided by the management			Comments of the Audit Committee
85.	Sunset Clause for Royalty payment					
86.	Peer Comparison: Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any 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	%	%	%	%	
87.	Royalty paid or payable for imported technology, along with the turnover attributable to such technology.					
88.	Royalty paid or payable for brands or other intangible assets, along with the turnover attributable to their use.					

5. Standards for Minimum Information to be provided to the shareholders for consideration of RPTs:

- (1) The explanatory statement contained in the notice sent 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 being sent 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 Para 4 of these Standards, to the extent applicable.
 - (b) The Audit Committee can approve redaction of commercial secrets and such other information that would affect competitive position of listed entity from disclosures to shareholders. Further, the Audit Committee shall certify that, in its assessment, the redacted disclosures still provide all the necessary information to the public shareholders for informed decision-making.
 - (c) Justification as to why the proposed transaction is in the interest of the listed entity.
 - (d) Statement of assessment by the Audit Committee that relevant disclosures for decision-making were placed before them, and they have determined that the promoter(s) will not benefit from the RPT at the expense of public shareholders.
 - (e) Disclose the fact that the Audit Committee had reviewed the certificate provided by the CEO or CFO or any other KMP as well as the certificate provided by the promoter directors of the Listed Entity as required under Para 3(2)(b) of these Standards.
 - (f) Copy of the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.
 - (g) In case of sale, purchase, or supply of goods or services *[as provided in B(2) in the format as specified in Para 4 of these Standards]*, or the sale, lease, or disposal of assets of a subsidiary, unit, division, or undertaking of the listed entity *[as provided in B(7) in the format as specified in Para 4 of these Standards]*, if the Audit Committee has reviewed the terms and conditions of bids from unrelated parties then such fact shall be stated. In case bids have not been invited, the fact shall be disclosed along with the justification thereof, and in case comparable bids are not available, state the basis for recommending that the terms of the RPT are beneficial to the shareholders.
 - (h) Comments of the Board/ Audit Committee of the listed entity, if any.
 - (i) Any other information that may be relevant.