



Policy on Dealing with Related Party Transactions

1. Preface

Policy Title	Policy on dealing with related party transactions
Version Number	1.05
Effective Date	23.05.2025
Authorised by	Board of directors of JSW Steel Limited in its meeting held on 23.05.2025
Last Revised Date	27.05.2022

We set out below a Policy which is intended to ensure proper approval and reporting of transactions between JSW Steel Limited (“**Company**”) and any of its Related Parties (defined below). This Policy shall apply to all transactions entered into by the Company with its related parties as per the applicable laws and regulations including the Companies Act, 2013 (“**Act**”) and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (“**LODR Regulations 2015**”), including amendments or modifications thereof. The Policy sets forth the nature of related party transactions, approvals and disclosure requirements. The Board of Directors of the Company may amend this Policy from time to time. Do note that the policy shall be deemed to include all changes in the regime of related party transactions, including any amendments, modifications, additions, changes in the legal framework including but not limited to the Act (*defined below*), LODR Regulations 2015 and any other circular, order, etc. issued by SEBI or any other government body.

2. Definitions

- i. “**Act**” means Companies Act, 2013, including any amendment thereof from time to time, to be read with rules made thereunder.
- ii. “**ALP**” means arm’s length price.
- iii. “**Arm’s Length Transaction**” means a transaction between two Related Parties (*defined below*) which is conducted in a manner which avoids the possibility of any conflict of interest.
- iv. “**Audit Committee**” means audit committee of the Board (*defined below*) of the Company (*defined below*) constituted under Section 177 of the Act and Regulation 18 of the LODR Regulations 2015.
- v. “**Board**” means the board of directors of the Company.
- vi. “**Chief Executive Officer**” or “**CEO**” means the current chief executive officer of the Company.
- vii. “**Chief Financial Officer**” or “**CFO**” means the current chief financial officer of the Company.

- viii. **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- ix. **“Director(s)”** means the current director(s) of JSW Steel Limited.
- x. **“Group Structure”** means the group structure including holding company, Subsidiaries, associate and joint ventures of the Company.
- xi. **“Ind AS”** means the Indian accounting standards.
- xii. **“Key Managerial Personnel”** or **“KMP”** means key managerial personnel of the Company as defined under the Act and under the applicable Ind AS, as the case may be, and includes:
- a. the Chief Executive Officer or the Managing Director or the Manager;
 - b. the whole-time Director;
 - c. the Company Secretary;
 - d. the Chief Financial Officer; and
 - e. 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;
- xiii. **“LODR Regulations 2015”** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, including any amendments thereof from time to time.
- xiv. **“Manager(s)”** means the current manager(s) of the Company.
- xv. **“Managing Director”** means the current managing director of the Company.
- xvi. **“Material Modification”** means any modification as defined by the Audit Committee and disclosed as part of the Policy and will include any modification for an amount exceeding more than 10% of any particular Related Party Transaction which has already been approved by the Shareholders, the Board or the Audit Committee, as the case may be.
- xvii. **“Material Related Party Transaction”** means a transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crore or 10 % of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.

However, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered as a Material Related Party Transaction, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 5 % of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

In addition to the above, the Audit Committee may, on occasion, take a decision whether the modification in any terms and conditions of an existing Related Party Transaction would be equivalent to a Material Modification. Based on the facts of particular matter(s) in hand, requisite approvals from the Audit Committee may be required for the modification of the said transaction.

- xviii. **“Ordinary Course of Business”** means a usual transaction if it is entered into in relation to provision of goods or services in which the Company regularly deals or where the transaction is in respect of goods or services in which the counter party normally deals, and the Company repeatedly enters into such transactions for the purpose of its business, or the transaction is necessary, normal and incidental to business.

In addition, this includes 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 its memorandum of association and its articles of association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

- xix. **“Policy”** means this policy which intended to ensure proper approval and reporting of transactions between the Company and any of its Related Parties.
- xx. **“Related Party”** with reference to the Company means:
- a. a related party as defined under section 2(76) of the Act; or
 - b. a related party as defined under applicable Ind AS; or
 - c. a related party as defined under regulations 2(zb) of LODR Regulations 2015.
- xxi. **“Related Party Transaction”** or **“RPT”** means a transaction, between the Company and its Related Party, is a related party transaction as ascribed under Regulation 2(zc) of LODR Regulations 2015.
- xxii. **“Relative”** means relative as defined under the Act read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014, including any amendment thereof from time to time.
- xxiii. **“Shareholder(s)”** means the current shareholders of the Company.
- xxiv. **“Subsidiary”** means a subsidiary of the Company.

3. Requirements of the respective regulations:

A. Act

As per Section 188 of the Act read with the rules made thereunder, all transactions specified therein with Related Parties shall require prior approval of the Board and of

the Shareholders if it exceeds the limits prescribed, except transactions which are in the Ordinary Course of Business and on arm's length basis.

Section 177(4)(iv) of the Act requires the Audit Committee to approve transactions or any subsequent modification thereof of the company with the Related Parties.

B. LODR Regulations 2015

Under Regulation 23 of the LODR Regulations 2015, the requirements for Related Party Transactions are:

- The Board is required to formulate a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, including clear threshold limits duly approved by the Board.
- Such policy should be reviewed by the Board at least once every 3 years and updated accordingly.
- All Related Party Transactions and any subsequent Material Modification shall require prior approval of the Audit Committee. Only the members of the Audit Committee who are independent Directors shall approve Related Party Transactions.
- The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its Subsidiary subject to compliance with conditions as prescribed under the Act, the LODR Regulations 2015 and any other applicable laws.
- All material Related Party Transactions and any subsequent Material Modifications shall require prior approval of the Shareholders through a resolution and no Related Party shall vote to approve on such resolution irrespective of the fact whether the entity is a Related Party to the particular transaction.
- The provisions of Regulation 23 shall be applicable to all prospective transactions.
- Transactions covered under LODR Regulations 2015 are, as follows:
 - transfer of resources;
 - transfer of services; and
 - transfer of obligations.

4. Policy on Related Party Transactions

A. Identification of Related Parties

Before the start of each financial year, the Company shall identify a list of 'Related Parties' in accordance with the definition given in the LODR Regulations 2015 containing the names of individuals and entities. The identification should be carried

out based on the disclosures received from the Directors / Key Managerial Personnel / Shareholders of the Company and by reviewing the shareholding and the group structure including the Company, Subsidiaries, associate and joint ventures of the Company (“**Group Structure**”).

The list of Related Parties shall be reviewed on a quarterly basis jointly by the financial controller and the Company Secretary. Any changes in the list during the financial year shall be made as and when the Company receives information in this regard from the Directors, Key Managerial Personnel, Shareholders and on the occurrence of any subsequent changes in the Group Structure.

Each Director and Key Managerial Personnel of the Company is responsible for providing notice to the Board or the Audit Committee of any potential Related Party Transaction involving him/her or his/her Relative, including any additional information about the transaction that the Board or the Audit Committee may request.

B. Identification of Related Party Transactions

The Company is required to collate list of Related Party Transactions as follows:

- Continuing Related Party Transactions as per the disclosure made in its financial statements.
- Transactions which are likely to be entered into with each Related Party and estimated value of such transactions before the beginning of each financial year to obtain necessary approvals in accordance with this Policy.

Any member of the Audit Committee or the Board who is directly or indirectly interested in any Related Party Transaction shall recuse himself and abstain from participating in the discussion and voting for such item under consideration by the Audit Committee and the Board, as the case may be.

C. Approval of the Related Party Transactions

In addition to certain transactions with Related Parties which shall not be considered as Related Party Transactions, the following transactions shall not require approval of the Audit Committee or the Shareholders:

- i. Transactions between the Company and its wholly owned Subsidiaries whose accounts are consolidated with the accounts of the Company and placed before the Shareholders at the general meeting for approval;
- ii. Transactions between two wholly owned Subsidiaries of the Company whose accounts are consolidated with the accounts of the Company and placed before the Shareholders at the general meeting for approval;
- iii. transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

C.(I) Prior Approval of the Shareholders

- The requirement of Shareholders' prior approval for Material Related Party Transactions shall not be applicable in the following cases:
 - (a) transactions in respect of a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed to recognized stock exchange(s) within one day of the resolution plan being approved;
 - (b) Related Party Transactions, where the listed Subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed Subsidiary;
 - (c) Related Party Transactions of unlisted Subsidiaries, where the prior approval of the shareholders of the listed Subsidiary is obtained;
 - (d) 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; and
 - (e) 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.

- The Company needs to provide the minimum information set out below to its shareholders for considerations for RPTs:
 - (a) The information is to be set out in the explanatory statement contained in the notice sent to the shareholders for seeking their approval for a Related Party Transaction so as to enable the shareholders to take a view on whether the terms and conditions of the Related Party Transaction are favorable to the listed entity.
 - (b) The following information is to be set out as part of the explanatory statement:
 - (i) Information as placed before the Audit Committee in the format as specified in Paragraph 4 of the Industry Standards on "Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)" basis Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14 February 2025 ("**Standards**"), attached to this policy as **Annexure 1**, to the extent applicable.
 - (ii) The Audit Committee can approve redaction of commercial secrets and such other information that would affect the competitive position of the 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.

- (iii) Justification as to why the proposed transaction is in the interest of the listed entity.
- (iv) 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 Related Party Transaction at the expense of public shareholders.
- (v) 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 Company as required under Para 3(2)(b) of the Standards.
- (vi) Copy of the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.
- (vii) 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 the 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 the 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.
- (viii) Comments of the Board/ Audit Committee of the listed entity, if any.
- (ix) Any other information that may be relevant

C.(II) Prior Approval of the Audit Committee

- The below Related Party Transaction shall not require prior approval of the Audit Committee of the Company wherein:
 - (a) any Subsidiary(ies) is a party, but the Company is not a party and the value of such transaction(s) to be entered into individually or taken together with previous transactions during a financial year does not exceed ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company.
 - (b) Effective April 01, 2023, any Subsidiary(ies) is a party, but the Company is not a party and the value of such transaction(s) to be entered into individually or taken together with previous transactions during a financial year does not exceed ten percent of the annual standalone turnover, as per the last audited financial statements of the respective Subsidiary.

- (c) Any listed Subsidiary is a party, but the Company is not a party, and regulations pertaining to Regulation 15(2) and Regulation 23 of LODR Regulations 2015 are applicable to such listed Subsidiary. Also, for Related Party Transactions of unlisted Subsidiaries of a listed Subsidiary the prior approval of the audit committee of the listed Subsidiary shall suffice.
 - (d) Remuneration and sitting fees paid by the Company or its Subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23(1) of the LODR Regulations 2015.
 - (e) The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its Subsidiary subject to compliance with following conditions:
 - The Company needs to provide the minimum information set out below to the Audit Committee for its considerations of RPTs:
 - (a) Information, as specified in Para 4 of the Standards, while placing any proposal for review and approval of a RPT.
 - (b) While collating information, the management of the listed entity shall take into account the following:
 - (i) Provide comments against each information where it is sought in the format specified in Para 4 of the Standards against transaction-based information. Indicate 'NA', where the field is not applicable and 'NIL', where no comments have been provided.
 - (ii) 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:
 - the RPTs to be entered into are not prejudicial to the interest of public shareholders; and
 - 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 the Standards.
- (iii) Copy of any valuation or other report procured from an external party, if any, shall be placed before the Audit Committee.

- (iv) 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.
- (v) If the related party follows a different financial year, this fact shall be disclosed.
- (vi) In the case of payment of royalty [as provided in B(8) in the format as specified in Para 4 of the 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 the Standards], the criteria for selecting Industry Peers shall be as follows:
- The Company 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.
 - 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.
 - 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.

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.

- The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - (a) repetitiveness of the transactions (in past or in future); and
 - (b) justification for the need of omnibus approval.
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company

Such omnibus approval shall specify:

- (a) the name(s) of the Related Party, nature of transaction and the period of transaction;
- (b) maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
- (c) the maximum value per transaction which can be allowed;
- (d) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- (e) review, at such intervals as the Audit Committee may deem fit, of Related Party Transaction entered into by the Company pursuant to each omnibus approval made;
- (f) the indicative base price / current contracted price and the formula for variation in the price, if any; and
- (g) such other conditions as the Audit Committee may deem fit.

Further, 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.

- Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company or its Subsidiary pursuant to each of the omnibus approval given.
- Such omnibus approvals shall be valid for a period not exceeding 1 year and shall require fresh approvals after the expiry of 1 year.
- Under Section 177(4)(iv) of the Act, all transactions proposed to be entered into by the Company with Related Parties and any subsequent modifications of such transactions should be put up for approval of Audit Committee on a regular basis.
- The management proposal for the Related Party Transactions will include all material particulars of the proposed transaction and a detailed analysis and justification/rationale for entering into a Related Party Transaction as compared to a transaction with a non- Related Party.
- The proposal will also state whether the transaction is of a routine nature or a one-off transaction.
- In each case, the management proposal will include analysis as to whether the transaction price is at an arm's length. The proposal may be supported by any third-party evaluation or certification in that behalf.

C.(III) Prior Approval of the Board of Directors

All transactions with Related Parties within the scope of Section 188 of the Act, which are either not in the Ordinary Course of Business or are not at arm's length shall require prior approval of the Board of Directors.

In addition to the above, the following kinds of transactions with Related Parties shall also be placed before the Board for its approval:

- Transactions which may be in the Ordinary Course of Business and at arm's length basis, but which are as per the Policy determined by the Board from time to time (i.e., value threshold and/or other parameters) requires approval from the Board and the Audit Committee;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the Ordinary Course of Business and/or at arm's length basis and decides to refer the same to the Board for their approval;
- Transactions which are in the Ordinary Course of Business and at arm's length basis, but which as per Audit Committee requires approval from the Board;
- Material Related Party Transactions and any subsequent Material Modification, which are intended to be placed before the Shareholders for approval.

Information in such form and manner as prescribed in the Act and/or LODR Regulations 2015 shall be provided to the Board.

C.(IV) Approval of the Shareholders of the Company

All Material Related Party Transactions and any subsequent Material Modifications shall require prior approval of the Shareholders by way of a resolution. The notice to be sent to the Shareholders to seek approval for a Related Party Transaction shall provide requisite information for each such transaction as required under both LODR Regulations 2015 and the Act.

In addition to the above, all kinds of transactions with Related Parties covered under Section 188 of the Act which (a) are not at arm's length or not in the Ordinary Course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 or in this Policy, shall require prior approval of the Shareholders by way of a resolution.

However, prior Shareholders' approval will not be required for a transaction wherein any listed Subsidiary of the Company is a party, but the Company is not a party, and regulations pertaining to corporate governance and Related Party Transactions as ascribed under LODR Regulations 2015 are applicable to such listed Subsidiary. Also, for Related Party Transactions of unlisted Subsidiaries of a listed Subsidiary the prior approval of the Shareholders of the listed Subsidiary shall suffice.

D. Voting

In determining whether to approve or ratify a Related Party Transaction, the Audit Committee / Board shall take into account among other factors it deems appropriate, whether the Related Party Transaction is in the Ordinary Course of Business of the Company and on arm's length basis and the extent of the Related Party's interest in the

transaction. For this purpose, the Audit Committee / Board are entitled to seek the assistance of any employee of the Company or one or more independent experts of its choice at the expense of the Company.

D.(I) Act:

- If any Director is interested in any contract or arrangement with a Related Party, such Director cannot be present at the Board meeting of the Company during discussions in the matter.
- Members who are Related Parties in the context of the Related Party contract or arrangement for which resolution is to be passed shall not vote to approve the resolution if such Member is a Related Party.

D.(II) LODR Regulations 2015:

Members who are Related Parties shall not vote to approve the resolution in respect of approval of material Related Party Transactions and any subsequent Material Modification, irrespective of whether the Member is aparty to the particular transaction or not.

5. Determination of arm's length.

The Company adopts generally accepted practices and principles in determining whether the transaction is at 'arm's length'. In the absence of any definition, the Company may refer to guidance given in, inter alia, laws on taxation, customs duty and import and export.

Determining ALP is a matter of judgment and it shall be assessed on case-by-case basis depending upon the facts and circumstances in each case.

The following are the some of the information that may be used to determine the arm's length basis analysis, such as:

- Nature/type of the transaction i.e., details of goods or property to be acquired/ transferred or services to be rendered / availed (including transfer of resources) - including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
- Material key terms (such as price and other commercial terms contemplated under the arrangement) of the proposed transaction, including value and quantum;
- Name of the Related Party and its relationship with the Company or its Subsidiary, including nature of its concern or interest (financial or otherwise);
- Tenure of the proposed transaction (particular tenure to be specified);
- Value of the proposed transaction;
- 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 Related Party Transaction involving a Subsidiary, such percentage calculated on the basis of the Subsidiary's annual turnover on a standalone basis to be additionally provided);

- 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:
 - (i) nature of indebtedness;
 - (ii) cost of funds; and
 - (iii) tenure.
 - (c) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - (d) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the Related Party Transaction.
- key covenants (non-commercial) as per the draft of the proposed agreement/contract to be entered into for such transaction;
- special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
- Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
 - (a) market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
 - (b) third party comparable, valuation reports, price publications including stock exchange and commodity market quotations;
 - (c) management assessment of pricing terms and business justification for the proposed transaction as to why the Related Party Transaction is in the interest of the Company; and
 - (d) comparative analysis, if any, of other such transaction entered into by the Company.
- prices charged by the Company to other third-party unrelated parties;
- All Related Party Transactions should be adequately supported by contracts or

purchase orders/ work order or sales order and documentations to justify ALP;
and

- If ALP cannot be justified for any transaction, then approval should be taken from Board and Shareholders as required under the Companies Act, 2013.

6. Reporting and disclosure of Related Party Transactions:

- Director's report shall contain details of Related Party Transactions as required under the Companies Act, 2013 & LODR Regulations 2015.
- The Company shall submit disclosures of Related Party Transactions in the specified format in accordance with the LODR Regulations 2015 (as may be amended from time to time) to the stock exchanges and publish the same on its website.
- The Company shall provide disclosure on 'loans and advances' in the nature of loans to firms/companies in which Directors are interested by name and amount in its corporate governance report and the annual report.
- The Company shall disclose the terms of this Policy on its website and also in its annual report in accordance with Regulation 46(2)(g) of the LODR Regulations 2015 and Regulation 53(1)(f) of the LODR Regulations 2015.
- The remuneration and sitting fees paid by the Company or its Subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group.
- This Policy will be communicated to all operational employees and other concerned personnel of the Company.

7. Ind AS 24 – Related Party Disclosures

Ind AS 24 requires the disclosure of the Related Party relationship and the transactions with Related Parties in the annual report of the Company.

Following are some examples of the transactions which are classified as Related Party Transactions under Ind AS 24:

- Purchase or sale of goods (finished or unfinished);
- Purchase or sale of fixed assets;
- Rendering or receiving of services;
- Agency arrangements;
- Leasing or hire purchase arrangements;
- Transfer of research and development;
- Licence agreements;

- Finance (including loans and equity contributions in cash or in kind);
- Guarantees and collaterals; and
- Management contracts including deputation of employees.

8. Threshold limits for dealing with Related Parties:

As required under Regulation 23(1) of the LODR Regulations 2015, the Company has fixed the following materiality threshold limits, beyond which approval of the Shareholders through resolution will be required except for the transactions exempted pursuant to the proviso to Regulation 23(4) of the LODR Regulations 2015:

- Payment to a Related Party with respect to brand usage or royalty – 5% of the annual consolidated turnover of the Company as per last its audited financial statements.
- Other transactions with a Related Party – INR 1,000 crore or 10% of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.

9. Subjugation

This Policy shall be subject to the provisions contained in the Companies Act, 2013, the LODR Regulations 2015, any guidelines/ directives issued by the Ministry of Corporate Affairs, Securities Exchange Board of India, National Stock Exchange of India Limited or BSE, from time to time.

10. Related Party Transaction not approved under this Policy

In the event any transaction has been undertaken/ is being undertaken with a Related Party without obtaining requisite approval under this Policy, The Audit Committee shall be provided with all the relevant facts and circumstances for entering into such transactions with a Related Party.

In the event the Company becomes aware of a transaction with a Related Party that has not been approved in accordance with this Policy prior to its consummation, then such transactions shall be immediately reported to the Company Secretary and also be put up for review by the Audit Committee in its next meeting. The Audit Committee shall consider all 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 Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and failure of the internal control systems and shall take any such action it deems appropriate.

Do note that the members of the Audit Committee, who are independent Directors, may ratify Related Party Transactions within 3 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:

- the value of the ratified transaction(s) with a Related Party, whether entered into individually or taken together, during a financial year does not exceed Rs. 1 crore;
- the transaction is not material in terms of the provisions of Regulation 23(1) of the LODR Regulations 2015;
- rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- the details of ratification shall be disclosed along with the disclosures of Related Party Transactions in terms of the provisions of Regulation 23(9) of the LODR Regulations 2015; and
- any other condition as specified by the Audit Committee.

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 Company against any loss incurred by it.

Where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the Board of Directors or Shareholders. In connection with any review/approval of a Related Party Transactions, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

11. Review

This Policy is subject to periodic review by the Audit Committee and the Board and may only be amended by a resolution of the Board.

Annexure 1

Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)

[Attached separately]

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.assochem.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

	<p style="text-align: center;">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</p>			<p style="text-align: center;">Minimum disclosures</p>
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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.	<i>% Shareholding</i> <i>% Contribution</i> <i>% P&L Sharing</i>	

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>		
<i>FY 20xx-20xx</i>			
S. No.	Nature of Transactions	Amount (in INR)	
<i>FY 20xx-20xx</i>			
S. No.	Nature of Transactions	Amount (in INR)	
<i>FY 20xx-20xx</i>			
S. No.	Nature of Transactions	Amount (in INR)	

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 <i>(All types of transactions taken together)</i>			
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.	%	
<u>B. Details for specific transactions</u>			
<u>B(1). Basic details of the proposed transaction</u> <i>(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)</i>			
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.	<p>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.</p>		

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	<i>% Shareholding</i>	
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	<i>% Shareholding</i>	
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). <u>Additional details</u> 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). <u>Additional details</u> 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>		
<i>Additional details relating to advances other than loan given by the listed entity or its subsidiary</i>			
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		
	1				
	2				
35.	Advance as % of the total loan given during the preceding 12 months			%	
B(4). <u>Additional details</u> 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.	<p>Latest credit rating of the related party (other than structured obligation rating (SO rating) and credit enhancement rating (CE rating))</p> <p><i>Explanation:</i> This shall be applicable in case of investment in debt instruments.</p>		<p><i>If credit rating of the related party is not available, Audit Committee to comment on credit worthiness of the related party</i></p>
41.	<p>Expected annualised returns</p> <p><i>Explanation:</i> This shall be applicable in case of investment in debt instruments.</p>		
42.	<p>Returns on past investments in the related party over the last three financial years</p>	<p><i>Return on Equity</i></p>	<p><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></p>
43.	<p>Details of asset-liability mismatch position, if any, post investment</p> <p><i>Explanation:</i> This shall be applicable in case of investment in debt instruments.</p>		
44.	<p>Whether any regulatory approval is required. If yes, whether the same has been obtained.</p>		
<p>B(5). <u>Additional details</u> 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</p>			

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). <u>Additional details</u> 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). <u>Additional details</u> 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>	<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</u> for transactions relating to payment of royalty			
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. <i>Any other use (specify)</i>	<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>%</i>	
	<i>FY 20xx-20xx</i>	<i>%</i>	
	<i>FY 20xx-20xx</i>	<i>%</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>%</i>	
	<i>FY 20xx-20xx</i>	<i>%</i>	
	<i>FY 20xx-20xx</i>	<i>%</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
	<p>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.</p>		<p><i>If no expenses were incurred, the Audit Committee shall provide justification or comment on the same.</i></p>
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.	<p>Peer Comparison:</p> <p>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:</p>																						
	<table border="1"> <thead> <tr> <th data-bbox="267 800 451 926"></th> <th data-bbox="451 800 602 926">Listed Entity / Subsidiary</th> <th data-bbox="602 800 743 926">Peer 1</th> <th data-bbox="743 800 885 926">Peer 2</th> <th data-bbox="885 800 1026 926">Peer 3</th> </tr> </thead> <tbody> <tr> <td data-bbox="267 926 451 1083">Royalty payment over last 3 years</td> <td data-bbox="451 926 602 1083"><i>Aggregate amount</i></td> <td data-bbox="602 926 743 1083"><i>Aggregate amount</i></td> <td data-bbox="743 926 885 1083"><i>Aggregate amount</i></td> <td data-bbox="885 926 1026 1083"><i>Aggregate amount</i></td> </tr> <tr> <td data-bbox="267 1083 451 1276">Royalty paid as a % of net profits over the last 3 years</td> <td data-bbox="451 1083 602 1276">%</td> <td data-bbox="602 1083 743 1276">%</td> <td data-bbox="743 1083 885 1276">%</td> <td data-bbox="885 1083 1026 1276">%</td> </tr> <tr> <td data-bbox="267 1276 451 1472">Annual growth rate of Turnover over last 3 years</td> <td data-bbox="451 1276 602 1472">%</td> <td data-bbox="602 1276 743 1472">%</td> <td data-bbox="743 1276 885 1472">%</td> <td data-bbox="885 1276 1026 1472">%</td> </tr> </tbody> </table>		Listed Entity / Subsidiary	Peer 1	Peer 2	Peer 3	Royalty payment over last 3 years	<i>Aggregate amount</i>	<i>Aggregate amount</i>	<i>Aggregate amount</i>	<i>Aggregate amount</i>	Royalty paid as a % of net profits over the last 3 years	%	%	%	%	Annual growth rate of Turnover over last 3 years	%	%	%	%		
	Listed Entity / Subsidiary	Peer 1	Peer 2	Peer 3																			
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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.