



# POLICY ON RELATED PARTY TRANSACTIONS

Compliance with the Companies Act, 2013 and SEBI  
(Listing Obligations and Disclosure Requirements)  
Regulations, 2015

A policy on the Related Party Transactions adopted by John Cockerill India Limited

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## Introduction

The Board of Directors of John Cockerill India Limited ('the Company') has adopted this Policy, upon the recommendation of the Audit Committee and the said Policy is in compliance with the requirements of Section 188 of the Companies Act, 2013 and rules thereunder (hereinafter referred to as "the Act") and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) [hereinafter referred to as "SEBI Listing Regulations"].

## Objective

This Policy is intended to ensure due and timely disclosure, identification, reporting approval and ratification of transactions between the Company and its Related Parties as defined below in the best interest of the Company and its shareholders, in compliance with the Act and Rules framed thereunder and the SEBI Listing Regulations as may be amended from time to time .

## Scope and Applicability

This policy shall apply to all new/modified related party transactions, as specified under the Act and the SEBI Listing Regulations.

*This policy may not cover all related party transactions which are required to be dealt with / disclosed as per the requirements of applicable Accounting Standard.*

No related party transaction may be entered into between the Company and its related parties except in accordance with the provisions of this Policy.

## Definitions

The following words shall have the meanings as provided in the policy, unless otherwise mentioned in the Act or the SEBI Listing Regulations:

Accounting Standards	"Accounting Standards" shall mean the standards of accounting or any addendum thereto for companies or class of companies referred to in Section 133 of the Act.
Act	"Act" mean the Companies Act, 2013 and the Rules framed there under, including any modifications, amendments, clarifications or re-enactments thereof.
Arm's length transactions	"Arm's length basis" means a transaction between two related parties that is conducted, as if they were unrelated, so that there is no conflict of interest.  For determination of Arm's length basis, guidance may be taken from the provisions of Domestic Transfer Pricing under the Income Tax Act, 1961 wherever applicable.
Audit Committee	"Audit Committee or Committee" means the Audit Committee of the Board constituted under the provisions of the SEBI Listing Regulations and Section 177 of the Act.
Board	"Board" means the Board of Directors of the Company as defined under the Act.

Industry Standards on RPT/ RPT Industry Standards	Industry Standards on RPT/ RPT Industry Standards” shall mean Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT) as amended from time to time.
Key Managerial Personnel	<p>“Key Managerial Personnel” shall have the same meaning ascribed to it under Section 2(51) of the Act, as amended from time to time, which include:</p> <p>(i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time director;</p> <p>(ii) Company Secretary;</p> <p>(iii) Chief Financial Officer; and</p> <p>(iv) 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.</p>
Material modification	“Material modifications means any modification(s) to the material related party transactions which were approved by the Audit Committee or Shareholders during the year which will change the complete nature of the transaction and in case of monetary thresholds which is in excess of 10% or more of the originally approved transaction value.
Material Related Party Transaction	“Material Related Party transactions means a transaction as defined under Regulation 23 of the SEBI Listing Regulations read with Schedules provided therein and the contracts or arrangements given under the Act and as specifically provided under Clause (A) of Related Party Transactions of this policy.
Relative	“Relative” means with reference to any person, shall have the same meaning as defined in Section 2(77) of the Act and under applicable accounting standards, as amended from time to time.
Related Party	“Related Party” means related party as defined under section 2(76) of the Act read with the Rules thereto or under the applicable accounting standards (Refer Annexure-III) and Regulation 2(1)(zb) of the SEBI Listing Regulations, as amended from time to time.
Related Party Transaction	<p>“Related Party Transaction (“RPT”)” means such transactions means any transaction by the listed entity or its subsidiaries, directly or indirectly involving any Related Party which relates to transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and includes:</p> <ol style="list-style-type: none"> <li>a. sale, purchase or supply of any goods or materials;</li> <li>b. selling or otherwise disposing of, or buying, property of any kind;</li> <li>c. leasing of property of any kind;</li> <li>d. availing or rendering of any services;</li> <li>e. appointment of any agent for purchase or sale of goods, materials, services or property;</li> <li>f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and</li> <li>g. underwriting the subscription of any securities or derivatives thereof, of the company.</li> <li>h. Any other transaction as may be included by way of amended by at act or LODR</li> </ol>

	<p><i>A “transaction” with a related party shall be construed to include single transaction or a group of transactions in a contract.</i></p> <p><i>However the same shall not include:</i></p> <p><i>a. The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.</i></p> <p><i>b. The following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:</i></p> <p><i>i. payment of dividend;</i></p> <p><i>ii. subdivision or consolidation of securities;</i></p> <p><i>iii. issuance of securities by way of a rights issue or a bonus issue; and</i></p> <p><i>iv. buy-back of securities.</i></p> <p><i>c. Retail purchase from the Company or its subsidiary by the directors or key managerial personnel of the Company or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/ offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.</i></p> <p><i>d. And any other transaction which may be exempted under the Companies Act and/or SEBI Listing Regulations, from time to time.</i></p>
Policy	“Policy or this Policy” means Policy on related party transactions of the Company.

Words and expressions used and not defined in the Policy shall have the same meanings as assigned to them in the Act and/or the SEBI Listing Regulations.

### **Related Party Transactions**

Related party transaction is a transfer of resources, services or obligations between a company and a related party by way of any contract or arrangement, regardless of whether a price is charged.

In order to comply with the relevant provisions of the Act and the SEBI Listing Regulations and seeking requisite approvals, each related party transaction would be examined and categorized, as follows:

#### **(A)Material Related Party Transaction (as per SEBI Listing Regulations)**

- A related party transaction shall be considered as material, if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds the following:

<b>Consolidated Turnover of Listed Entity Threshold</b>	<b>Threshold</b>
Up to Rs.20,000 Crore	10% of the annual consolidated turnover of the listed entity
More than Rs.20,000 crore to upto Rs.40,000 Crore	Rs.2,000 Crore + 5% of the annual consolidated turnover of the listed entity above Rs 20,000 Crore
More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above Rs. 40,000 crore or Rs 5,000 crore whichever is lower

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

- A transaction involving payment made to related party with respect to brand usage or royalty, exceeding 5% of the annual consolidated turnover of the Company as per the last audited financial statements.

In case of any amendment to the Section 188 of the Act or the SEBI Listing Regulations, definition of material related party transactions will be deemed to be changed without any further approval of the Audit Committee or the Board.

**(B) Significant Related Party Transaction (as per Section 188 of the Act)**

Significant Related party transaction shall include any of the following transactions entered into between the Company and the related party, which exceed the thresholds as specified under the Act and Rules framed thereunder:

<b>Nature of transactions</b>	<b>Limits</b>
a) Sale, purchase or supply of any goods or materials	Amounting to ten per cent or more of the turnover of the Company
b) Selling or otherwise disposing of, or buying, property of any kind	Amounting to ten per cent or more of the net worth of the Company
c)Leasing of property of any kind;	Amounting to ten per cent or more of turnover of the Company
d)Availing or rendering of any services	Amounting to ten per cent or more of the turnover of the Company
e) Appointment of any agent for purchase or sale of goods, materials, services or property	Refer (a), (b) and (d) above
<i>It is hereby clarified that the limits specified in sub-clauses (a) to (e) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year</i>	
f) Such related party's appointment to any office or place of profit in the Company, its	Exceeding a monthly remuneration of two and half lakh rupees

Subsidiary Company or Associate Company; and	
g) Underwriting the subscription of any securities or derivatives thereof, of the Company	Exceeding one per cent of the net worth

In case of any amendment to the Act, definition of **Significant and/or** material related party transactions will be deemed to be changed without any further approval of the Audit Committee or the Board.

*The turnover or net worth referred above shall be computed on the basis of the last audited financial statements of the Company.*

Provided that any related party transaction which is in the ordinary course of business **and** on arm’s length basis shall not be considered as Significant related party transactions.

Company 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 and such policy shall be reviewed by the Board of Directors at least once every 3 years and updated accordingly.

**(C) Other Related Party Transactions**

Other **Related Party Transactions** shall mean any other related party transactions which are not included in (A) and (B) above.

**Disclosure of Related Party and Potential Related Party transactions**

Every director and Key managerial personnel shall

- a) at the first meeting of the Board in which she/he participates as a director and;
- b) thereafter at the first meeting of the Board in every financial year or;
- c) whenever there is any change in the disclosures already made, then at the first Board meeting held after such change ;

disclose her/his concern or interest in any Company or companies or body corporates, firms, or other association of individuals which shall include the shareholding, in the prescribed form.

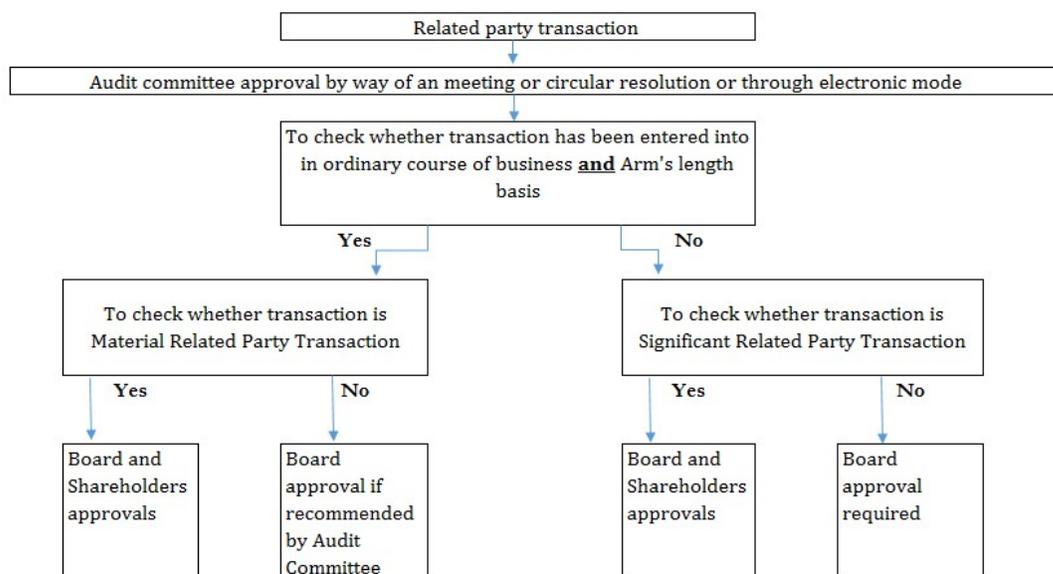
Each director and Key Managerial Personnel is responsible for providing notice to the Company of any potential related party transaction involving herself/himself or her/his relative, and disclose such additional information about the transaction, as may be required to be placed before the Audit Committee and the Board.

The Company prefers to receive such notice of any potential related party transaction well in advance so that, the Audit Committee has adequate time to obtain and review information about the proposed transaction.

**Policy and Procedures**

The policy and procedures that would be followed in relation to Related Party Transactions are given in paragraphs below:

## Review and approval of Related Party Transactions



### Significant and Material Related Party Transactions

All significant and material related party transactions including subsequent material modification thereto, if any, shall require the approval of the Shareholders through ordinary resolution as per the SEBI Listing Regulations and the parties related to such transaction shall abstain from voting on such resolution, whether the entity is a Related Party to the particular transaction or not.

### Review and Approval by Audit Committee

#### **A. Approvals of Related Party Transactions**

All related party transactions including any subsequent material modifications shall require the prior approval of the Audit committee whether at a meeting (held physically or through VC/OAVM) or by resolution by circulation except as mentioned below:

- a. Remuneration and sitting fees paid by the Company or its subsidiary to its director, KMP or senior management, except who is part of promoter or promoter group, if the same is not material and shall also not require disclosure in terms of the provisions of sub-regulation (9) of Regulation 23 of the SEBI Listing Regulations.
- b. 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
  - 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.
- c. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

- d. transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

Prior approval of the Audit Committee is required for the following related party transactions :

- (a) Where the Company is a party
- (b) A related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction, exceeds the lower of the following:
  - (i) 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary or
  - (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations
- (c) In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:
  - (i) 10% of the aggregate value of paid-up share capital and securities premium account\* of the subsidiary; or
  - (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations

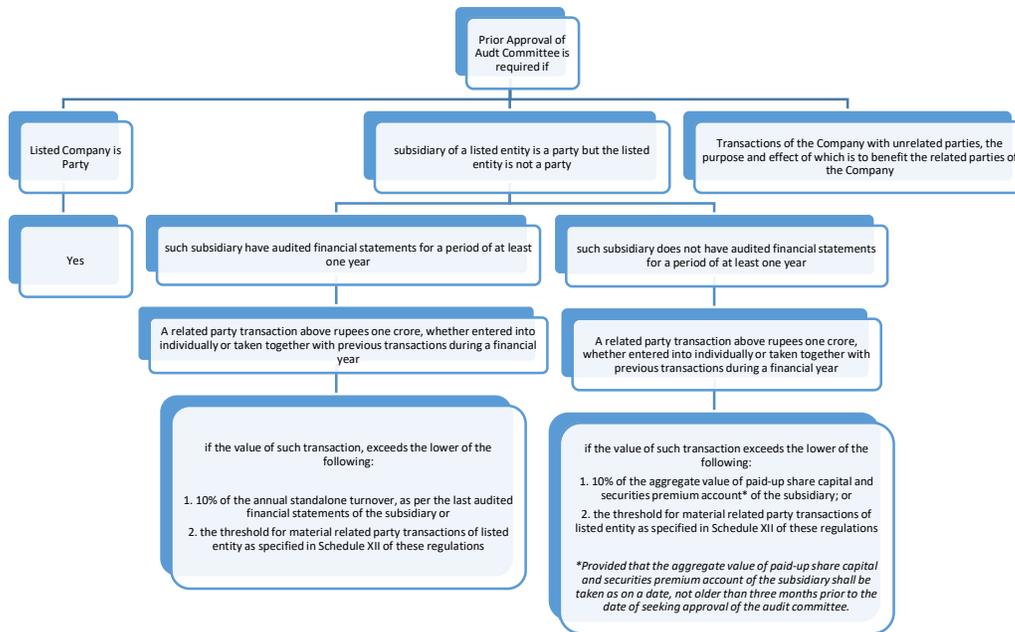
*\*Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.*

- (d) Transactions of the Company with unrelated parties, the purpose and effect of which is to benefit the related parties of the Company.

A member of the Committee who is interested in any related party transaction shall not be present at the meeting during discussion on the subject matter of the resolution relating to such contract or arrangement. Only the Independent Directors who are members of the Audit Committee shall approve all related party transactions.

If any additional Related Party Transactions are proposed to be entered into subsequent to the Audit Committee's last meeting/at the end of every financial year, management shall present such transactions to the Audit Committee for approval before entering into such transaction (which can be taken by calling a meeting or by resolution passed through circulation).

Flow Chart presenting manner of approval is shown heerein below:



**B. Omnibus approval by the committee:**

**Omnibus Approval by Audit committee**

In case of business exigency and operational convenience, the Audit Committee may grant omnibus approval to Related Party Transactions proposed to be entered into by the Company or its subsidiary, subject to fulfilment of following conditions/ criteria for granting omnibus approval:

- i. Transactions are frequent/regular/repetitive in nature and are in the normal course of business of the Company.
- ii. The need for such omnibus approval is in the best interest of the Company.
- iii. Omnibus approval shall specify all details as specifically provided under Regulation 23(3) of SEBI LODR, 2015.
- iv. Where the need for related party transaction cannot be foreseen and details as specified in regulations are not available, audit committee may grant omnibus approval for such transactions subject to the value of Related Party Transaction not exceeding Rs. 1 crore per transaction.
- v. The Audit Committee shall review, at least once in every quarter, the details of Related Party Transactions entered by the Company or its subsidiary, pursuant to each omnibus approval granted by the Audit Committee.
- vi. Such omnibus approvals shall be valid for a period not exceeding one Year and shall require fresh approvals after the expiry of each Year.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless there is a Material Modification.

**C. Ratification of related party transactions not previously approved:**

In the event the Company becomes aware of a Related Party Transaction that has not been previously approved by the Audit Committee, then such transactions shall be placed as promptly as practicable before the Committee for review and ratification.

The members of the Committee, who are independent directors, may ratify Related Party Transactions within three months from the date of the transaction or in the immediate next meeting of the Committee, whichever is earlier, subject to the following conditions:

- a. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- b. the transaction is not material in terms of the provisions of Regulation 23 of SEBI Listing Regulations
- c. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- d. the details of ratification shall be disclosed along with the disclosures of related party transactions
- e. Any other condition as specified by the audit committee and amended Law.

Provided that failure to seek ratification of the Committee shall render the transaction voidable at the option of the 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.

**D. Consideration by the Committee in approving the proposed transactions**

While considering any transaction, Committee shall consider all such information and facts, as mentioned in Para 4 of Industry Standards on RPT, for review and approval (including modification and ratification) of Related Party Transactions as provided in Annexure-I of this policy except for below:

- a. Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) do not exceed Rs. One Crore.
- b. Transactions exempted under Regulation 23(5) of the SEBI Listing Regulations; and
- c. Quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of the LODR Regulations.
- d. If a transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the Company as per the last audited financial statements or Rupees Ten Crore, whichever is lower, the Company shall provide 'Minimum information to the Audit Committee or Board Meeting for approval of Related Party Transactions' specified in Annexure IA.

The Audit Committee shall consider the following factors among others to determine whether any related party transaction shall be approved or ratified:

1. Whether the related party transaction is proposed to be entered into (or was entered into) on terms no less favourable to the Company, than terms that could have been reached with an unrelated third party;
2. The purpose of, and the potential benefits to the Company of such transaction;
3. Whether the related party transaction would affect the independence of an independent director;
4. 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 direct or indirect nature of the director's or KMPs or their relatives' interest in the transaction, the ongoing nature of any proposed relationship and any other factors the committee deems relevant;
5. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction.
6. Whether the transaction with any other party or entity has the purpose and effect of which is to benefit the related parties of the Company.
7. The status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.
8. Any additional information from the management, as it deem necessary and reasonable, to evaluate the proposed Related Party Transaction.

The Audit Committee may, at its discretion, comment on information provided by the management. Such comments and the rationale for not approving a Related party Transaction shall be recorded in the minutes of the meeting of the Audit Committee.

#### **Approval by Board**

- 1) The agenda to the Board meeting shall contain details as mentioned in Annexure-I or IA, as applicable.
- 2) Where any director is interested in any Significant/Material related party transaction and subsequent material modifications, such director shall not be present at the meeting during discussions, on the subject matter of the resolution relating to such contract or arrangement;
- 3) The Board shall consider and if thought fit, approve the Significant/Material related party transactions and subsequent material modifications and refer the same to the Shareholders approval by way of an ordinary resolution;

The approval of Board has to be obtained at a duly convened meeting of the Board where the directors may participate either in person or through video conferencing or other audio visual means.**Approval by Shareholders**

- 1) Significant/Material related party transactions and subsequent material modifications as approved by the Board shall require the prior approval of the Shareholders by way of an ordinary resolution.
- 2) Related parties shall abstain from voting on such resolution irrespective of whether the entity is a party to the particular transaction or not;
- 3) Any Related Party Transaction for which the Audit Committee has granted omnibus approval, shall continue to be placed before the shareholders of the Company if it is or becomes a Material Related Party Transaction.

- 4) The notice of the general meeting shall contain such information as mentioned in Annexure-II.
- 5) The Audit Committee and Board of Directors, while providing information to the shareholders, can approve redaction of commercial secrets and such other information that would affect competitive position of Company and affirm that, in its assessment, the redacted disclosures shall still provide all the necessary information to the public shareholders for informed decision making.
- 6) The omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time.

#### **Related Party Transactions not approved under this Policy**

In the event, the Company becomes aware of any transaction with Related Party that was not entered into in line with this policy, the same shall be reported to the Audit Committee in the next meeting. The Committee shall consider all relevant facts and circumstances regarding such related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of such related party transaction.

The Committee, may also examine the facts and circumstances pertaining to the failure of reporting such related party transaction under this Policy.

In case, the Committee decides not to ratify any such related party transaction, the Committee may direct to seek approvals of the Board and/or the Shareholders, as it may deem appropriate.

### **Disclosure and Reporting of Related Party Transactions**

1. Significant related party transactions are to be disclosed in Board's Report along with justification for entering into such related party transactions;
2. Details of all material transactions with related parties shall be disclosed to the stock exchange on quarterly basis along with the compliance report on corporate governance under the SEBI Listing Regulations.
3. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large in the Corporate Governance Report.
4. The Company shall disclose the policy on dealing with related party transactions on its website and a web link thereto shall be provided in the Annual report.
5. The Company shall submit to the Stock Exchange, disclosure of related party transactions in the format specified by SEBI from time to time and publish the same on the website of the Company within the timelines specified by SEBI from time to time.
6. The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any related party as required under Section 189 of the Companies Act, 2013.

7. Disclosure in relation to related party transactions shall be made in the financial statements of the Company.

## **Conclusion**

The Audit committee shall have authority to modify or waive any procedural requirements of this policy except procedures required under Act/Listing Regulations. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Act and SEBI Listing Regulations. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities not being in consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail over the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

In the event of any conflict between the provisions of this Policy and provisions of the SEBI Listing Regulations or the Act and Rules framed thereunder or any other applicable laws for the time being in force, the later shall prevail over the Policy.

This Policy or the relevant provisions of this policy shall be disseminated to all concerned employees of the Company and shall also be uploaded on the intra-net and website of the Company and web link thereto shall be provided in the Annual Report of the Company.

This policy has been last amended in terms of the Act and amended SEBI Listing Regulations and become effective from September 29, 2025.

## Annexure-I

### I. Details to be contained in the Agenda of Audit Committee or Board Meeting

1. The Committee shall consider all such information and facts, as mentioned in Para 4 of Industry Standards on RPT, for review and approval (including modification and ratification) of Related Party Transactions.

The Industry Standards have categorized the information into the below 3 categories:

A. Basic Information applicable for all transactions

B. Information for specific type of transactions: The RPT are categorized into below categories:

- i. Sale, purchase or supply of goods or services or any other similar business transaction and trade advances
- ii. Loans and advances (other than trade advances) or inter-corporate deposits given by the Company or its subsidiary
- iii. Investment made by the Company or its subsidiary
- iv. Guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee) ), surety, indemnity or comfort letter, by whatever name called, made or given by the Company or its subsidiary.
- v. Borrowings by the Company or its subsidiary
- vi. Sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the Company or disposal of shares of subsidiary or associate
- vii. Transactions relating to payment of royalty

C. Information required for Material transactions

2. A Certificate from the Chief Executive Officer (CEO)/Managing Director/Whole Time Director/ Manager and Chief Financial Officer (CFO) confirming the RPT is in the interest of the Company.
3. A copy of the valuation or other report of external party, if any.
4. If audited financials of the related party for immediate financial year aren't available, submit financial extracts from their books, duly certified by the related party, as drawn from its books of accounts.
5. Disclose if the related party follows a different financial year.
6. For multiple transaction types, provide details separately for each transaction (e.g., sale of goods and purchase of goods to be treated as separate transaction).
7. Any other information that may be relevant.

**Annexure-IA**

**Minimum information to the Audit Committee or Board Meeting for approval of Related Party Transactions**

- (a) Type, material terms and particulars of the proposed transaction;
- (b) Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- (c) Tenure of the proposed transaction (particular tenure shall be specified);
- (d) Value of the proposed transaction;
- (e) The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- (f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
  - i. details of the source of funds in connection with the proposed transaction;
  - ii. where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,
    - a. nature of indebtedness;
    - b. cost of funds; and
    - c. tenure;
  - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT
- (g) Justification as to why the RPT is in the interest of the listed entity;
- (h) A copy of the valuation or other external party report, if any such report has been relied upon;
- (i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- (j) Any other information that may be relevant.

**Annexure-II**

**Information to be provided to shareholders for consideration of RPTs**

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- (k) A summary of the information provided by the management of the Company to the audit committee as specified in Annexure-I of this Policy;
- (l) Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT.
- (m) Fact that the Audit Committee had reviewed the certificate provided by the CEO/ Managing Director/ Whole Time Director/ Manager and CFO of the Company as required under the RPT Industry Standards.
- (n) Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.
- (o) Web-link and QR Code, through which shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.
- (p) Comments of the Board/ Audit Committee of the Company, if any
- (q) All other general or transaction-specific information as explicitly required under the Act, SEBI Listing Regulations, applicable RPT Industry Standards, or any relevant circulars issued or to be issued in this regard, as amended from time to time
- (r) Any other information that may be relevant.

### **Annexure-III**

#### **Related Party as per the Companies Act, 2013**

“Related party”, under Section 2(76) of the Companies Act, 2013 with reference to a company, means—

- (i) a director or his relative;
- (ii) key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager is a member or director;
- (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any company which is—
  - (A) a holding, subsidiary or an associate company of such company; or
  - (B) a subsidiary of a holding company to which it is also a subsidiary;
  - (C) an investing company or the venturer of the company

Further as per the Companies (Specification of definition details) Rules, 2014, a Director or Key Managerial Personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

#### **Related Party as per the SEBI Listing Regulations**

An entity shall be considered as related to the Company if:

- (i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) such entity is a related party under the applicable accounting standards.

#### **Relative**

Section 2(77): “relative”, with reference to any person, means anyone who is related to another, if —

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed;

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

- (1) Father (including step-father);
- (2) Mother (including the step-mother);
- (3) Son (including the step-son);
- (4) Son's wife ;
- (5) Daughter ;
- (6) Daughter's husband;
- (7) Brother (including the step-brother);
- (8) Sister (including the step-sister)

**Related Party as per the Indian Accounting Standard (Ind AS) 24**

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

- a. A person or a close member of that person's family is related to a reporting entity if that person:
  - i. has control or joint control of the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to a reporting entity if any of the following conditions applies:
  - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - vi. The entity is controlled or jointly controlled by a person identified in (a).
  - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.