

CIRCULAR

SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135

October 13, 2025

To,

All listed entities

All the recognized Stock Exchanges

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

Federation of Indian Chambers of Commerce and Industry (FICCI)

Confederation of Indian Industry (CII)

Dear Sir/Madam,

Sub: Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions

1. SEBI Master Circular dated November 11, 2024¹ (“**Master Circular**”) and SEBI Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025 ([link](#)), required listed entities to follow “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” (“**RPT Industry Standards**”), formulated by Industry Standards Forum (“**ISF**”).
2. ISF has submitted a representation to the SEBI, requesting relaxation from the applicability of the RPT Industry Standards.
3. The representation received from ISF was discussed with the Advisory Committee on Listing Obligations and Disclosures (“**ACLOD**”) of SEBI. Pursuant to the recommendations of the ACLOD, a Consultation Paper dated August 04, 2025 was issued, seeking feedback from public.
4. SEBI Board in its 211th meeting held on September 12, 2025 has approved the proposal for relaxation in minimum information to be provided to the Audit Committee and shareholders for the approval of RPTs.
5. Accordingly, with an objective of facilitating ease of doing business by the listed entities, Section III-B of the Master Circular read with Para 7 of the SEBI Circular dated June 26, 2025 shall be modified as under:

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

- 5.1 Paragraph 4 under Part A of Section III-B of the Master Circular shall stand substituted by the following paragraph:

“The listed entity shall provide the audit committee with the information as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”, while placing any proposal for review and approval of an RPT.

Provided that 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 listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower, the listed entity shall provide ‘Minimum information to the Audit Committee for approval of Related Party Transactions’ specified in [Annexure-13A](#) of this circular.

Provided further that the above requirements, shall not be applicable to 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) which does not exceed Rs. One Crore.”

- 5.2 Paragraph 6 under Part B of Section III-B of the Master Circular shall stand substituted by the following paragraph:

“The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions.

Provided that 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 listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower, the listed entity shall provide ‘Minimum information to the Shareholders for approval of Related Party Transactions’ specified in [Annexure-13A](#) of this Circular.

Provided further that the above requirements, shall not be applicable to 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) which does not exceed Rs. One Crore.”

6. It is further clarified that the exemption threshold of Rupees One Crore as specified in Para 3(c) of the RPT Industry Standards shall continue to apply.
7. The listed entities, from the effective date of this Circular, shall follow the format as prescribed hereunder and RPT Industry Standards, as may be applicable, to ensure compliance with Part A and Part B of Section III-B of the Master Circular read with Regulation 23(2), (3) and (4) of LODR Regulations.
8. This circular shall come into effect immediately.
9. The Stock Exchanges are advised to bring the contents of this Circular to the notice of their listed entities.
10. This Circular is issued in exercise of the powers conferred under Section 11(1) and 11A of the Securities and Exchange Board of India Act, 1992 read with regulation 101 of LODR Regulations.
11. This Circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.

Yours faithfully,

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Annexure-13A

(A) Minimum information to the Audit Committee for approval of Related Party Transactions:

The listed entity shall provide the following information, for review by the audit committee for approval of a proposed RPT:

- 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,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;

(Note: The requirement of disclosure in Sr. no. i. and ii. above, is not applicable to listed banks/NBFCs/insurance companies/housing finance companies)

- 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.

(B) Minimum information to the Shareholders for approval of Related Party Transactions:

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

- a. A summary of the information provided by the management of the listed entity to the audit committee as specified in paragraph 4 of this Section;
- b. Justification for why the proposed transaction is in the interest of the listed entity;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under para 4(f) above;
- d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.
