Eastman Auto & Power Limited

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

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DEFINITIONS AND INTERPRETATION

1. Definitions

In this Policy, unless the context otherwise requires:

"Audit Committee" shall mean the committee of Board constituted in pursuance of Section 177 of the Companies Act and Regulation 18 of SEBI Listing Regulations;

Board of Directors" or "Board" in relation to a Company, means the collective body of Directors of the Company;

"Companies Act" shall mean the Companies Act, 2013 including any statutory modification or re-enactment thereof;

"Company" shall mean Eastman Auto & Power Limited;

"Director(s)" shall mean a director appointed to the Board of a company;

"Key Managerial Personnel" shall mean the person(s) appointed as such in pursuance of Section 203 read with Section 2(51) of the Companies Act;

"Material Modification", in relation to Material Related Party Transaction approved by the shareholders of the Company, shall mean any variation having an impact on the monetary limits already approved by the Audit Committee or shareholders of the Company, as the case may be exceeding 30% of the transaction value, in each case, over and above the approved limits in relation to a Related Party Transaction approved by the Audit Committee or Board or a material related party transaction approved by the shareholders as the case may be or 1% of the total consolidated turnover of the Company for the previous financial year whichever is higher;

"Material Related Party Transaction" shall have the meaning ascribed to it in Clause 4.2. hereof;

"Ordinary Course of Business" with reference to a transaction with a related party shall mean a transaction which is:

i. carried out in the normal course of business envisaged in accordance with the memorandum of association of the Company as amended from time to time
ii. **historical practice and repetitive/frequent in nature**;
iii. normal and otherwise routine in the particular business;
iv. common in a particular industry;
v. in furtherance of business objectives and/or business purposes of the Company;
vi. meets any other parameters/criteria as decided by the Board/Audit Committee, from time to time;

"Policy" shall mean this Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions, as amended from time to time;

"Related Party", in relation to the Company, shall mean a party related with the Company in any of the ways as laid down in Section 2(76) of the Companies Act, Rules, Regulation 2(1)(zb) of the SEBI Listing Regulations or under applicable accounting standards, each as amended; Provided that: (a) any person or entity forming a part of the promoter or promoter group of the Company; or (b) any person or any entity,

holding equity shares: (i) of twenty per cent or more; or (ii) of ten per cent or more, in the Company either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, at any time, during the immediate preceding financial year; shall be deemed to be a related party;

''Relative'' with reference to any person, shall mean anyone who is related to another person as defined under Section 2(77) of the Companies Act and applicable accounting standards, each as amended;

"Related Party Transaction" shall mean the transaction(s) as defined under section 188 of the Companies Act 2013 and rules made thereunder and transaction(s) involving a transfer of resources, services or obligations between:

i. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
ii. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose of which is to benefit a related party of the Company or any of its subsidiaries;

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract, and includes transactions as defined as a "related party transaction" under the relevant provisions of the Companies Act, the SEBI Listing Regulations or any other related law, regulation, standard, each as amended;

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

a. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

b. the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

   (i) payment of dividend;
   (ii) subdivision or consolidation of securities;
   (iii) issuance of securities by way of a rights issue or a bonus issue; and
   (iv) buy-back of securities.

c. retail purchases from the Company or any of its subsidiaries by the directors or key managerial personnel of the Company or any of its subsidiaries, 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;

"Rules" shall mean the rules framed under the Companies Act, as amended from time to time;

"SEBI Listing Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

"Specified RPT" shall have the meaning ascribed to it in Clause 4.3.8. hereof.

2. Interpretation

Any words used in this Policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, the Rules, the Securities and Exchange Board of India Act, 1992, as amended, or rules and

regulations made thereunder including the SEBI Listing Regulations, the applicable accounting standards or any other relevant legislation/law applicable to the Company.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee shall be final. In interpreting such term/provision, the Audit Committee may seek the help of any of the officers of the Company or an external expert as it deems fit.

3. Objectives

3.1 Regulation 23 of the SEBI Listing Regulations requires the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions including clear threshold limits duly approved by the Board.

3.2 Accordingly, the Board has adopted the following Policy with regard to related party transactions. The Policy has been prepared in accordance with Section 177 and Section 188 of the Companies Act and applicable provisions of the SEBI Listing Regulations. The Audit Committee may review this Policy from time to time and propose any modifications to the Board for approval. The Policy shall be reviewed by the Board at least once every three years or such period as may be defined under law from time to time.

4. Procedure

4.1 Identification of Related Parties

4.1.1. The Company shall identify Related Parties as per the requirement of the Companies Act and the SEBI Listing Regulations, and keep the list of Related Parties updated from time to time;

4.1.2. Each Director/Key Managerial Personnel/Promoter shall make an annual declaration as per the provisions of the Section 184 of Companies Act and the Rules with respect to Related Party Transactions to the Company at the first meeting of the financial year and this declaration shall be placed before the Board at their first meeting held at the succeeding financial year. The said declaration would cover his/her concern or interest in the entity with specific concern to parties which may be considered as Related Parties with respect to the Company and shall also provide the list of Relatives which are regarded as Related Parties as per this Policy. Any change in the declaration (including change in the list of relatives) shall be promptly intimated to the Board.

4.1.3. The suggested details and list of records and supporting documents which are required to be provided along with the Notice of the proposed transaction are provided in Schedule II to this Policy.

4.1.4. Each Director/Key Managerial Personnel/Promoter is responsible for providing notice to the Board of any potential Related Party Transaction involving him or her or, his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. The Audit Committee will determine whether a transaction does constitute a Related Party Transaction requiring compliance with this Policy.

4.2 Material Related Party Transaction

A Related Party Transaction shall be considered material if the transaction or transactions to be entered into individually or taken together with previous transactions during a financial year, exceed the thresholds specified in Schedule I of this Policy.

Notwithstanding the above, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transaction(s) during a financial year, exceed 5 (five) per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

All Material Related Party Transactions and subsequent Material Modification to Material Related party Transaction shall require prior approval of the shareholders of the Company through a resolution and no Related Party shall vote on such resolutions whether the entity is a Related Party to the particular transaction or not. It is clarified that any Material Modification of an existing Material Related Party Transaction shall also require prior approval of the Audit Committee in addition of approval of shareholders of the Company.

Omnibus approvals granted by 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 the Companies Act and Rules. In case of omnibus approvals for Material Related Party Transactions granted by shareholders in general meetings other than the annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

4.3 Review and approval of Related Party Transactions

All Related Party Transactions and subsequent modification to related party transactions shall require prior approval of the Audit Committee. Only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

4.3.1. A Related Party Transaction above rupees 1 (one) crore, whether entered into individually or taken together with previous transactions during a financial year, to which a subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee if the value of such transaction exceeds the lower of (i) 10 (ten) per cent of the annual standalone turnover of the subsidiary, or, (ii) the threshold for Material Related Party Transactions as specified in Schedule I of this Policy.

4.3.2. A Related Party Transaction above rupees 1 (one) crore, whether entered into individually or taken together with previous transactions during a financial year, to which a subsidiary of the Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least 1 (one) year, prior approval of the Audit Committee shall be obtained if the value of such transaction exceeds the lower of (i) 10 (ten) percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary (taken as on a date, not older than three months prior to the date of seeking approval of the Audit Committee), or, (ii) the threshold for Material Related Party Transactions as specified in Schedule I of this Policy.

Further the remuneration and sitting fees paid by the Company or its subsidiary to its directors, key managerial personnel or senior management, except directors, key managerial personnel or senior management who are promoters or part of the promoter group, shall not require approval of the Audit Committee provided that the same is not a Material Related Party Transaction.

4.3.3. The Audit Committee may grant omnibus approval to one or more proposed Related Party Transactions.

Such omnibus approval shall be subject to the following conditions:

a. The proposed Related Party Transaction(s) is/are repetitive in nature and the Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company;

b. The maximum value of the Related Party Transactions, per transaction or in aggregate, which can be allowed under the omnibus route in a financial year shall not exceed 10 (ten) percent of annual consolidated turnover of the Company as per the last audited financial statements of the Company.

c. Such omnibus approval shall specify (i) the name(s) of the Related Party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into, (ii) the indicative base price/current contracted price and the formula for variation in the price, if any; and (iii) such other conditions as the Audit Committee may deem fit;

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

d. The Audit Committee shall review, at least on a quarterly basis, the details of the Related Party Transactions entered into by the Company or its subsidiary, pursuant to each of the omnibus approvals given;

e. Such omnibus approvals shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals after the expiry of one year.

Only the transactions which are repetitive in nature and covered above shall be subject to omnibus approval. Any one-off transaction other than the ones in ordinary course of business (including Premium, Claims, Commission, reinsurance, reimbursement of shared expenses, investments as per investment guidelines and technology and other support provided within existing agreements with any related party) shall require specific approval of the Audit Committee.

4.3.4. Each Related Party Transaction and subsequent Material Modifications to material related party transaction shall require prior approval of the Audit Committee or the Board or shareholders of the Company, as the case may be, as required under and subject to the Companies Act and the SEBI Listing Regulations. The information in respect of proposed Related Party Transaction(s) along with complete details including name of the parties and details explaining the nature of relationship, nature and amount of the transaction, period of contract and particulars of the contract or arrangement, material terms of the transaction, manner of determining the pricing to ascertain whether the same is on an arm's length basis, business rationale for entering into such transaction, and any other relevant information shall be placed before the Audit Committee.

4.3.5. While assessing the proposal, the Audit Committee may seek such information/ supporting documents or get clarifications, as it may consider necessary.

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

a. Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

b. Whether there are any compelling business reasons/rationale for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

c. Whether the Related Party Transaction would affect the independence of an independent director;

d. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and

e. Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification if done, would be detrimental to the Company;

4.3.7. A contract, arrangement or transaction, between a related party (as defined under the Companies Act) and the Company, as specified under Section 188(1) of the Companies Act, which is either 'not on an arm's length basis' or 'not in the ordinary course of business' ("Specified RPT"), shall also require approval of the Board and/or the members of the Company as per the provisions of Section 188(1) of the Companies Act and the applicable provisions of the Rules.

4.3.8. In the event the Audit Committee presents a Related Party Transaction before the Board, or if the Board suo-moto elects to review any Related Party Transaction or if a Related Party Transaction is required to be approved by the Board in pursuance of the Companies Act, Rules or SEBI Listing Regulations, the process set forth in this Clause 4 shall apply mutatis-mutandis for approval of such Related Party Transaction by the Board, subject to such exceptions as may be necessary or appropriate under the circumstances.

5. Related Party Transactions not approved under the Policy

In case the Audit Committee becomes aware of any Related Party Transaction that has not been approved as per the Policy, the matter shall be reviewed by the Audit Committee. 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 said Related Party Transaction. The Audit Committee may examine the facts and circumstances of the case and take such action as it may deem appropriate.

6. Disclosure of Related Party Transactions

The particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under the Companies Act, Rules, SEBI Listing Regulations and other applicable laws.

Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

The details of material transactions with Related Parties will be included in the corporate governance reports which are required to be submitted to the stock exchanges on a quarterly basis.

The Company shall disclose this Policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the annual report of the Company.

The particulars of Related Party Transactions should be entered in the register(s) maintained under the Companies Act, wherever applicable.

The Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results for the half year, of related party transactions, if any, to the stock exchanges on a consolidated basis, in the format specified in the relevant accounting standards for annual results and publish the same on its website. Provided however that 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, shall not require disclosure provided that the same is not a Material Related Party Transaction.

7. Amendment and Review

Subject to applicable laws, the Board may amend, suspend or rescind this Policy at any time. Any issues pertaining to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and any applicable laws, such applicable laws in force, shall prevail over this Policy.

8. General

This Policy shall be posted on the website of the Company.

SCHEDULE I

A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the following or such limits as may be specified under law from time to time:

Consolidated Turnover of Company Threshold		Threshold
(I)	Up to ₹20,000 crore	10% of the annual consolidated turnover of the Company
(II)	More than ₹20,000 crore to up to ₹40,000 crore	₹2,000 crore + 5% of the annual consolidated turnover of the Company above ₹20,000 crore
(III)	More than ₹40,000 crore	₹3,000 crore + 2.5% of the annual consolidated turnover of the Company above ₹40,000 crore or ₹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.

Illustration 1. For (II) above	
If the annual consolidated turnover of the Company is ₹30,000 crore	₹2,000 crore + 5% of the remaining ₹10,000 crore = ₹2,500 crore.
Illustration 2. For (III) above	
If the annual consolidated turnover of the Company is ₹50,000 crore	₹3,000 crore + 2.5% of the remaining ₹10,000 crore = ₹3,250 crore.
Illustration 3. For (III) above	
If the annual consolidated turnover of the Company is ₹1,50,000 crore	₹3,000 crore + 2.5% of the remaining ₹1,10,000 crore = ₹5,750 crore.
	However, threshold for material related party transaction would be ₹5,000 crore as it is lower than ₹5,750 crore.

SCHEDULE II

Part A

Minimum Information of the proposed RPT, applicable to all RPT

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

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

A(1) Basic details of the related party

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

A(2) Relationship and ownership of the related party

S. No.	Particulars of the Information	Information provided by the management
1	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party.	
2	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. Explanation: Indirect shareholding shall mean shareholding held through any person, over which the listed entity or subsidiary has control.	*% Shareholding* *% Contribution* *% P&L Sharing*
3	Shareholding of the related party, whether direct or indirect, in the listed entity/subsidiary (in case of transaction involving the subsidiary). Explanation: Indirect shareholding shall mean shareholding held through any person, over which the related party has control. While calculating indirect shareholding, shareholding held by relatives shall also be considered.	*% Shareholding*

A(3) Details of previous transactions with the related party

<table>
<tr><th>S. No.</th><th>Particulars of the Information</th><th>Information provided by the management</th></tr>
<tr><td>1</td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.

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

A(4) Amount of the proposed transactions

<table>
<tr><th>S. No.</th><th>Particulars of the Information</th><th>Information provided by the management</th></tr>
<tr><td>1</td><td>Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ Shareholders.</td><td></td></tr>
<tr><td>2</td><td>Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?</td><td>Yes or No?</td></tr>
<tr><td>3</td><td>Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year</td><td>%</td></tr>
<tr><td>4</td><td>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)</td><td>%</td></tr>
<tr><td>5</td><td>Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.</td><td>%</td></tr>
<tr><td>6</td><td>Financial performance of the related party for the immediately preceding financial year.

<table><tr><td>Particulars</td><td>FY 20xx-20xx (INR.)</td></tr><tr><td>Turnover</td><td></td></tr><tr><td>Profit After Tax</td><td></td></tr><tr><td>Net Worth</td><td></td></tr></table>
(Explanations: The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.)</td><td></td></tr>
</table>

A(5) Basic details of the proposed transaction

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

Part B

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

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

B(1): Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances

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

B(2): Disclosure only in case of transactions relating to any loans and advances (other than trade advances) or inter-corporate deposits given by the listed entity or its subsidiary

S. No.	Particulars of the Information	Information provided by the management
1	Source of funds in connection with the proposed transaction. *Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/housing finance companies.*	
2	Where any financial indebtedness is incurred to give loan, inter-corporate deposit or advance, specify the following. Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/housing finance companies.	
	(a) Nature of indebtedness:	
	(b) Total cost borrowing:	
	(c) Tenure:	
	(d) Other details:	

3	Rate of interest at which the listed entity or its subsidiary is borrowing from its bankers/ other lenders. *Note:* *(1) This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.* *(2) Disclosure shall be made of borrowings undertaken by the listed entity with a comparable maturity profile to the loan/ICD being granted by the listed entity.*	
4	Proposed interest rate to be charged by listed entity or its subsidiary from the related party.	
5	Maturity / due date	
6	Repayment schedule & terms	
7	Whether secured or unsecured?	
8	If secured, the nature of security & security coverage ratio	
9	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the transaction.	

B(3): Disclosure only in case of transactions relating to any investment made by the listed entity or its subsidiary

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

B(4):): Disclosure only in case of transactions guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary

S. No.	Particulars of the Information	Information provided by the management
1	(a) Rationale for giving guarantee, surety, indemnity or comfort letter	
	(b) Whether it will create a legally binding obligation on listed entity?	*Yes or No?*
2	Material covenants of the proposed transaction including: (i) commission, if any to be received by the listed entity or its	

	subsidiary; (ii) contractual provisions on how the listed entity or its subsidiary will recover the monies in case such guarantee, surety, indemnity or comfort letter is invoked.	
3	The value of obligations undertaken by the listed entity or any of its subsidiary, for which a guarantee, surety, indemnity or comfort letter has been provided by the listed entity or its subsidiary. Additionally, any provisions required to be made in the books of account of the listed entity or any of its subsidiary shall also be specified.	

B(5): Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary

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

B(6): Disclosure only in case of transactions relating to sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity, or disposal of shares of subsidiary or associate

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

B(7): Disclosure only in case of transactions relating to payment of royalty

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

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

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

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

C(1): Disclosure only in case of transactions relating to any loans and advances (other than trade advances) or inter-corporate deposits given by the listed entity or its subsidiary

S. No.	Particulars of the Information	Information provided by the management

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

C(2): Disclosure only in case of transactions relating to investment made by the listed entity or its subsidiary

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

C(3): Disclosure only in case of transactions relating to guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary

S. No.	Particulars of the Information	Information provided by the management

1	If guarantee, performance guarantee (in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter is given in connection with the borrowing by a related party, provide latest credit rating of the related party Note: a. Standalone rating to be provided while option to provide structured obligation rating (SO rating) and credit enhancement rating (CE rating), if any. b. This information may be provided to the extent it is available in the public domain or as may be provided by the related party upon request.	
2	Details of solvency status and going concern status of the related party during the last three financial years:	
	FY 20xx-20xx	
	FY 20xx-20xx	
	FY 20xx-20xx	
3	The value of obligations undertaken by the listed entity or any of its subsidiary, for which a guarantee, performance guarantee (in nature of security/ contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee) surety, indemnity or comfort letter has been provided by the listed entity or its subsidiary. Additionally, any provisions required to be made in the books of account of the listed entity or any of its subsidiary shall also be specified.	
4	Default on borrowings, if any, over the last three financial years, by the related party from the listed entity or any other person. Note: This information may be provided to the extent it is available in the public domain or as may be provided by the related party upon request. In addition, state the following: a) Whether the account of the related party has been classified as a non-performing asset (NPA) by any of its bankers and whether such status is currently subsisting; b) Whether the related party has been declared a “wilful defaulter” by any of its bankers and whether such status is currently subsisting; c) Whether the related party is undergoing or facing any application for commencement of an insolvency resolution process or liquidation; d) Whether the related party, not being an MSME, suffers from any of the disqualifications specified under Section 29A of the Insolvency and Bankruptcy Code, 2016. Note: Past defaults that are no longer subsisting and have been cured or regularized need not be disclosed.	
	FY 20xx-20xx	
	FY 20xx-20xx	
	FY 20xx-20xx	

C(4): Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary

S. No.	Particulars of the Information	Information provided by the management

1	Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements Note: This shall not be applicable to listed banks/NBFC/insurance companies/housing finance companies.	
	a. before transaction	
	b. after transaction	
2	Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements Note: This shall not be applicable to listed banks/NBFC/insurance companies/ housing finance companies.	
	a. before transaction	
	b. after transaction	

C(5): Sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity, or disposal of shares of subsidiary or associate

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

C(6): Transactions relating to payment of royalty

S. No.	Particulars of the Information	Information provided by the management
1	Gross amount of royalty paid by the listed entity or subsidiary to the related party during each of the last three financial years	
	FY 20xx-20xx	Amount of royalty
	FY 20xx-20xx	Amount of royalty
	FY 20xx-20xx	Amount of royalty
2	Purpose for which royalty was paid to the related party during the last three financial years. Explanation: For companies with a composite license agreement that includes a bundle of intellectual property rights (IPRs) such as brands, patents, technology and know-how, state the key components of such agreements and the reasons royalty attributable to those key components could not be furnished separately.	
	a. For use of brand name / trademark	As a % of aggregate amount of royalty for the last 3 Fys
	b. For transfer of technology know-how	As a % of aggregate amount of royalty for the last 3 Fys

<table>
<tr><td rowspan="2"></td><td>c. For professional fee, corporate management fee or any other fee</td><td>As a % of aggregate amount of royalty for the last 3 Fys</td></tr>
<tr><td>d. Any other use (specify)</td><td>As a % of aggregate amount of royalty for the last 3 Fys</td></tr>
<tr><td rowspan="4">3</td><td>Royalty paid in last 3 FYs as % of Net Profits of previous Fys</td><td></td></tr>
<tr><td>FY 20xx-20xx</td><td>%</td></tr>
<tr><td>FY 20xx-20xx</td><td>%</td></tr>
<tr><td>FY 20xx-20xx</td><td>%</td></tr>
<tr><td>4</td><td>Percentage or Rate at which royalty has increased in the past 3 years, if any, vis-à-vis rate at which the turnover and profits after tax have increased during the same period.</td><td></td></tr>
<tr><td>5</td><td>Peer Comparison:

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

<table>
<tr><th></th><th>Listed Entity/Subsidiary</th><th>Peer 1</th><th>Peer 2</th><th>Peer 3</th></tr>
<tr><td>Royalty Payment over last 3 years:</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Royalty paid as a % of net profits over the last 3 years:</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Annual growth rate of Turnover over last 3 years:</td><td></td><td></td><td></td><td></td></tr>
</table>

Explanation: In the case of the payment of, the criteria for comparison with Industry Peers shall be as follows:
a. The Listed Entity will compare the royalty payment with a minimum of three suitable and relevant Industry Peers (i.e. apple to apple comparable Industry Peers), where feasible.
b. In cases where fewer than three Industry Peers are available, the listed entity will disclose, that only one or two peers are available for comparison.
c. If the listed entity is part of any sectoral index, the listed entity is to consider the other constituents of such sectoral index for the purpose of peer comparison which are in similar line of business.
d. In case there are no Industry Peers, the Listed Entity shall state that no Industry Peers are available for comparison.</td><td></td></tr>
</table>