

## **GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED**

Regd. Office: P.O.: Narmadanagar - 392015, District: Bharuch, Gujarat  
Tel. No.: 02642 – 247084. Fax No.: 02642 – 247084, Email: [investor@gnfc.in](mailto:investor@gnfc.in)  
Website: [www.gnfc.in](http://www.gnfc.in) CIN — L24110GJ1976PLC002903

### **POLICY FOR RELATED PARTY TRANSACTIONS**

#### **POLICY STATEMENT:**

Any Related Party Transactions entered into shall be in compliance with the provisions of the Companies Act, 2013 (the Act), the Rules framed there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations), as amended from time to time. The approval of Audit Committee, Board of Directors (the Board) and Shareholders as may be applicable, will be obtained for such Related Party Transaction(s), including contract or arrangement.

#### **1.0 PREAMBLE**

The Board of Gujarat Narmada Valley Fertilizers & Chemicals Limited (the “Company” / “GNFC”) has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (the “Policy”) in compliance with the requirements of Section 188 of the Act, the Rules framed thereunder and Regulation 23 of the SEBI Listing Regulations. Amendments / modifications from time to time, to the Policy, if any, shall be considered by the Board based on the recommendation of the Audit Committee.

This Policy applies to transaction(s) between the Company and its Related Party/ ies. It provides a framework for governance and reporting of RPTs including material transactions.

#### **2.0 OBJECTIVE**

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of RPTs in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

### 3.0 DEFINITIONS

“**Audit Committee or Committee**” means the Committee of the Board constituted from time to time under the provisions of Section 177 of the Act and under the Regulation 18 of the SEBI Listing Regulations.

“**Arms’ length transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Board**” means the Board of Directors as defined under the Act.

“**Key Managerial Personnel**” means Key Managerial Personnel as defined under the Act.

“**Material Related Party Transaction**” means a Related Party Transaction which individually or taken together with previous transactions during the Financial Year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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 transactions during a Financial Year, exceeds five percent of the annual consolidated turnover of the Company as per the last audited Financial statements of the Company.

“**Material Modification**” will mean and include any modification to a Related Party Transaction of an amount exceeding 20% of the existing value of transaction / contract.

Provided further that in case of multiyear contracts with Related Parties, material modification shall mean and include any modification of an amount exceeding 20% of the transaction / contract value prevailing as at the end of the immediately preceding financial year.

The terms Director, Chief Financial Officer, Company Secretary, any other term not defined herein above, shall have the same meaning as assigned to them under the Act.

“**Ordinary Course of Business**” with reference to a transaction with a related party means a transaction which is:

- (i) Carried out in the normal course of business envisaged in accordance with the Memorandum of Association (“MOA”) of the Company as amended from time to time;
- (ii) Historical practice with a pattern of frequency;
- (iii) Common commercial practice; or
- (iv) Meets any other parameters/criteria as decided by the Board/Audit Committee from time to time.

Ordinary Course of Business includes but not limited to activities that are necessary, normal, And incidental to the business.

**“Related Party”** means related party as defined under 2(76) of the Act or under the applicable accounting standard and under Regulation 2(zb) of the SEBI Listing Regulations.

**“Related Party Transaction”** means a transaction involving a transfer of resources, services or obligations, between —

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, (with effect from April 1, 2023);

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, including but not limited to the following:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for the purchase or sale of goods, materials, services or property;
6. Such related party’s appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

Provided that the following shall not be 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 by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. Dividend received;
  - iii. subdivision or consolidation of securities;
  - iv. issuance of securities by way of a rights issue or a bonus issue; and
  - v. buy-back of securities.
- c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

**“Relative”** means a relative as defined under 2(77) of the Act and AS and includes anyone who is related in any of the following manner —

1. Members of a Hindu undivided family
2. Spouse;
3. Father (Including step-father);
4. Mother (including step-mother);
5. Son (including step-son);
6. Son’s wife;
7. Daughter;
8. Daughter’s husband;
9. Brother (including step-brother); or
10. Sister (including step-sister).

**“Transaction”** with a related party shall be construed to include single transaction or a group of transactions in a contract.

#### **4.0 POLICY**

The Audit Committee shall review and approve all Related Party Transactions based on this Policy.

All proposed Related Party Transactions must be reported to the Audit Committee for its prior approval in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant standing pre-approval / omnibus approval, details whereof are given in a separate section of this Policy.

In case, RPT is not in the ordinary course of business or is not at arm’s length or both, including all Material Related Party Transactions, the proposal will be placed before the Board of Directors for its prior approval

and where such RPT exceeds the limit prescribed in the Rules, prior approval of Shareholders by Resolution shall be obtained.

In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Audit Committee / Board / Shareholders may ratify the transaction(s) in accordance with this Policy and the Act.

#### **4.1. IDENTIFICATION OF RELATED PARTIES**

Every Director and Key Managerial Personnel (KMP) will be responsible for providing a declaration in the format as per Annexure- A to the Policy, containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she is a member or Director or his / her relative is a Member or Director;
4. Public Companies in which he / she is a Director and holds along with his / her Relatives more than 2% of paid up share capital;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).
7. Holding, Subsidiary or an Associate Company of such Company as per Companies Act, 2013;

Every Director and KMP will also be responsible to intimate the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

The Company Secretary shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of-

1. All Directors and KMP;
2. All individuals, partnership firms, companies and other persons as declared and intimated by Directors and KMP;
3. Company's holding company, subsidiary companies and associate companies;
4. Subsidiaries of holding company;
5. Director or KMP of the holding company or their Relatives; and
6. Any other entity which is a Related Party as defined under Section

2(76) of the Companies Act, 2013 read with SEBI Listing Regulations or the relevant Accounting Standard.

The database shall be updated whenever necessary and shall be reviewed at least once a year jointly by the Chief Financial Officer (CFO) and Company Secretary. The functional / business heads / Chief Financial Officer / Company Secretary shall have access to the updated database.

Every Director, KMP, Functional / Business heads will be responsible for providing prior Notice to the CFO / Company Secretary of any potential Related Party Transaction(s). They will also be responsible for providing additional information about the Transaction that the Audit Committee / Board may request, for being placed before the Audit Committee / Board. The suggested details and list of records and supporting documents which are required to be provided along with the Notice of the proposed transaction are provided in Annexure - B to the Policy.

The CFO in consultation with the Company Secretary may refer any potential related party transaction to any external legal / transfer pricing expert and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee. Based on this Notice, the CFO will take it up for necessary approvals under this Policy.

## **4.2 IDENTIFICATION OF RELATED PARTY TRANSACTIONS**

The concerned Department / HOD of the Company entering into a transaction shall identify related party transactions based on the list of Related Parties identified under 4.1 above, in accordance with Section 177 and 188 of the Act and Regulation 23 of the Listing Regulations. Thereafter the concerned department entering into the transaction shall establish whether the transaction is at arm's length and in the ordinary course of business or whether the transaction is Material.

## **4.3. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS**

### **4.3.1 REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION(S) BY AUDIT COMMITTEE**

The adequacy of this policy shall be reviewed and reassessed by the Committee at least once in three year and appropriate recommendations shall be made to the Board of Directors to update the policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

All RPTs or any subsequent modification thereto, shall be subject to the prior approval of the Audit Committee, whether at a Meeting or by

resolution by circulation or through electronic mode. A member of the Audit Committee who (if) has a potential interest in any RPT will not remain present at the Meeting or abstain from discussions and voting on such RPT and shall not be counted in determining the presence of a quorum, when such Transaction is considered.

### **CONSIDERATION BY THE AUDIT COMMITTEE IN APPROVING THE PROPOSED TRANSACTIONS**

While considering any transaction, the Audit Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party and any other relevant matters that it may deem fit.

Prior to the approval, the Audit Committee shall, inter-alia, consider the following factors to the extent relevant to the transaction:

1. Whether the terms of RPTs are in the ordinary course of the Company's business and are on an arm's length basis;
2. The business reasons for the Company to enter into RPT and the nature of alternative transactions, if any;
3. Whether the RPT includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction; and
4. Whether the RPT would affect the independence or present a conflict of interest for any Director or KMP of the Company, taking into account the size of the Transaction, the overall financial position of the Director, KMP or other Related Party, the direct or indirect nature of the Director's interest, KMP or other Related Party's interest in the Transaction and the ongoing nature of any proposed relationship and any other factors the Audit Committee deems relevant.

While considering the arm's length nature of the Transaction, the Audit Committee shall take into account the facts and circumstances as were applicable at the time of entering into the Transaction with the Related Party. The Audit Committee shall take into consideration that subsequent events (i.e. events after the initial Transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

## **APPROVAL BY CIRCULAR RESOLUTION OF THE AUDIT COMMITTEE**

In the event the Company Management determines that it is impractical or undesirable to wait until a Meeting of the Audit Committee to enter into a RPT, such Transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified / noted by the Audit Committee at its next scheduled meeting.

## **APPROVAL BY THE AUDIT COMMITTEE**

All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Company.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

Provided further that:

(a) the Audit Committee of the Company shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;

(b) a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a Financial Year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company;

(c) with effect from 01.04.2023, a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a Financial Year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

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

**Explanation:** For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the listed subsidiary shall suffice.



## **STANDING PRE-APPROVAL, OMNIBUS APPROVAL BY THE AUDIT COMMITTEE**

The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the Company subject to the following conditions:

1. Prior approval of the Audit Committee may be taken every year at the beginning by way of an omnibus approval. Such omnibus approval shall specify - (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price, if any; and (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for RPTs cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 Crore (Rupees One Crore) per transaction.

2. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on RPTs of the Company and Such approval shall be applicable in respect of transactions which are routine and repetitive in nature.
3. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
4. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
5. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Such transactions will be deemed to be pre-approved unless the price, value or material terms of the contract or arrangement have been varied I amended. Any proposed variations / amendments to these factors shall require prior approval of the Audit Committee.

However, the transactions of following nature will not be subject to the omnibus approval of the Audit Committee:

1. Transactions which are not at arm's length or not in the ordinary course of business;
2. Transactions which are not routine repetitive in nature;
3. Transactions in respect of selling or disposing of the unit or undertaking of the Company;
4. Financial Transactions eg. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares

issued by the related parties, corporate guarantee given/received from related parties

5. Any other transaction the Audit Committee may deem not fit for omnibus approval

#### **4.3.2. APPROVAL BY THE BOARD**

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

#### **4.3.3. APPROVAL BY SHAREHOLDERS**

##### **APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS**

All Material RPTs and subsequent material modifications as defined by the audit committee under sub-regulation shall require prior approval of the Shareholders through a resolution and the Related Parties shall abstain from voting on such resolutions.

Provided that, prior approval of the shareholders of the Company shall not be required for the following case:

- (i) If the transaction in which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.
- (ii) If resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

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

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

- i. Transactions entered into between two government Companies;
- ii. Transactions entered into between a holding Company and its wholly owned subsidiary whose accounts are consolidated with the such holding Company and placed before the shareholders at general

meeting for approval.

- iii. Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

**Explanation:** For the purpose of clause (iv), "government Company (ies)" means Government Company as defined in sub-section (45) of section 2 of the Companies Act, 2013.

#### **TRANSACTIONS NOT IN ORDINARY COURSE OF BUSINESS OR NOT AT ARM'S LENGTH – APPROVAL OF SHAREHOLDERS**

All RPTs in excess of the limits prescribed under the Act, which are not in the Ordinary Course of Business or not at Arm's Length shall also require the prior approval of the Shareholders through a resolution and the Related Parties shall abstain from voting on such resolutions.

#### **4.4 RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED**

In the event, the Company becomes aware of a RPT that has not been approved or ratified under this Policy, the Transaction shall be placed as promptly as practicable before the Audit Committee or the Board or the Shareholders as may be required in accordance with this Policy / Act for review and ratification.

The Audit Committee or the Board or the Shareholders shall consider all relevant facts and circumstances with respect to such Transactions and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such Transaction, and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

#### **Summary of the approval mechanism**

<b>Sr. No.</b>	<b>Related Party Transactions</b>	<b>Approving Authority</b>
1	All RPTs (other than those mentioned below) and any subsequent material modifications to the contracts / arrangements	Audit Committee (including Omnibus Approval for a maximum period of one year)
2	RPTs which are not in Ordinary Course of Business or not on arm's length basis or both (less than threshold limits)	Recommendation by Audit Committee Approval by Board of Directors
3	RPTs which are not in Ordinary Course of Business or not on	Recommendation by Audit Committee to Board

	arm's length basis or both (beyond threshold limits)	Recommendation by Board to Shareholders Approval by Shareholders
4	Material RPTs	Recommendation by Audit Committee to Board Recommendation by Board to Shareholders Approval by Shareholders
5	RPTs not previous approved	Audit Committee Board Shareholders (depending upon RPT falling in category at 1 to 4 above)

#### **4.5. DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS**

Every RPT entered into by the Company shall be referred to in the Board's Report / Audited Financial Statement along with justifications for entering into such Transaction. The Company shall also submit to the stock exchanges, on a half-yearly basis, within the timelines as prescribed by SEBI from time to time, the disclosures relating to Related Party Transactions in the format as specified by SEBI from time to time. The CFO and the Company Secretary shall be, responsible for such disclosure. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Act.

#### **5.0 SCOPE LIMITATION**

In the event of any conflict between the provisions of this Policy and that of the Act, the SEBI Listing Regulations, Accounting Standards or any other statutory enactments, the provisions of the Act, the SEBI Listing Regulations, Accounting Standards or statutory enactment shall prevail over this Policy. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy mutatis mutandis.

#### **6.0 REVIEW OF POLICY**

This Policy shall be reviewed by the Board of Directors atleast once every three years and updated accordingly based on the recommendations of the Audit Committee.

#### **7.0 DISSEMINATION OF POLICY**

Either this Policy or the important provisions of this policy shall be

disseminated to all functional and operational employees and other concerned personnel of the Company and shall be hosted on the intranet and website of the Company and web link thereto shall be provided in the annual report of the Company.

(The original Policy was approved by the Board of Directors in its Meeting held on 30-01-2015, which was revised by the Board of Directors in its Meeting held on 27-01-2016, 07-02-2023 and 18-05-2023.)

\* \* \*

**ANNEXURE-A**

**NOTICE OF INTEREST BY DIRECTOR I KEY MANAGERIAL  
PERSONNEL**

To,  
The Company Secretary / Compliance Officer  
Gujarat Narmada Valley Fertilizers & Chemicals Ltd.  
PO: Narmadanagar - 392 015,  
District: Bharuch,  
Gujarat

Dear Sir,

(A) I, ....., son/daughter/spouse of ....., resident of ..... holding ..... Shares (equity or preference) of Rs.10/- each (..... percent of the paid-up Capital) in the Company in my name, being a ..... in the Company, hereby give notice that I am interested directly / through my Relatives in the following company/ies, body corporate(s), firm(s) or other association(s) of individuals:

Sr. No.	Name of the Company / Body Corporate / Firm / Association of Individuals	Nature of Interest or concern I Change in Interest or Concern	Shareholding	Date on which Interest or Concern arose / changed

(B) Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions:

Sr. No.	Name of the Body Corporate

(C) I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity).

Sr. No.	Name of the person	Relation

(D) I enclose herewith the list of my relatives.

Place:

Signature: \_\_\_\_\_

Date :

Name :

## **ANNEXURE- B**

### **INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE I BOARD IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (RPT) (TO THE EXTENT RELEVANT TO THE TRANSACTION)**

1. Type, material terms and particulars of the proposed transaction;
2. Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
3. Tenure of the proposed transaction (particular tenure shall be specified);
4. Value of the proposed transaction;
5. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
6. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company 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, inter-corporate deposits, advances or investments,
    - nature of indebtedness;
    - cost of funds; and
    - 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.
7. Justification as to why the RPT is in the interest of the Company;
8. A copy of the valuation or other external party report, if any such report has been relied upon;
9. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
10. Any other information that may be relevant.

## ANNEXURE – C

### INFORMATION TO BE PROVIDED TO THE SHAREHOLDERS FOR CONSIDERATION OF RPTs (TO THE EXTENT RELEVANT TO THE TRANSACTION)

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:

1. A summary of the information provided by the management of the Company to the audit committee as specified in Annexure - B;
2. Justification for why the proposed transaction is in the interest of the Company;
3. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company 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, inter-corporate deposits, advances or investments,
    - nature of indebtedness;
    - cost of funds; and
    - 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.

The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)

4. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
5. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
6. Any other information that may be relevant.

\*\*\*