

SEBI Circular - Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions – 13th October, 2025

- SEBI vide its Circular dated 13th October, 2025 has provided relaxation by introducing simplified disclosure format for minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions not exceeding 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;
- Further, SEBI also clarified that the exemption threshold of Rupees One Crore shall continue to apply.
- The Circular shall come into effect immediately.

Applicability of Industry Standards for RPT approval

Start →



Step 1: Identify proposed RPT.



Step 2: Check total value of transaction(s) with the related party during the FY.

Decision Node 1:

Transaction not exceeding ₹1 crore?
Exempted → *No Minimum information required for RPT approval.*

Decision Node 2:

Transaction exceeding 1% of annual consolidated turnover or ₹10 crore (whichever is lower)?

→ Provide minimum information as per this circular.

Transaction above threshold

→ *Provide full "Industry Standards" information.*

Modification of SEBI Master Circular dated 11th November 2024

Para 4 - Part A –Section III-B:

“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.”

Modification of SEBI Master Circular dated 11th November 2024

Para 6 - Part B –Section III-B:

“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.”

Minimum information to the Audit Committee for approval of Related Party Transactions for such transactions:

Type, material terms, particulars, tenure and value of the proposed transaction

Name of related party, relationship, and nature of interest (financial/otherwise).

Turnover Impact: % of consolidated turnover represented by the transaction (and subsidiary's annual standalone turnover % if applicable).

Loan, inter-corporate deposits, advances or investment by listed entity or subsidiary:

Details of source of funds & nature of indebtedness, cost of funds and tenure

Terms: tenure, including covenants, interest rate, repayment schedule, whether secured or unsecured nature of security.

Purpose for utilization and ultimate beneficiary of funds pursuant to the RPT.
(Exempt for listed banks/NBFCs/insurance/Housing finance companies)

Justification:
Why the RPT is in the interest of the listed entity.

Supporting Reports:
Valuation or external expert report, if relied upon.

Voluntary Disclosure: % of counter-party's annual consolidated turnover involved by the value of proposed RPT.

Any other information that may be relevant.

Minimum information to the Shareholders for approval of Related Party Transactions for such transactions:

Summary of the information provided by the management of the listed entity to the audit committee

Voluntary Disclosure: % of counter-party's annual consolidated turnover involved by the value of proposed RPT.

Name of related party, relationship, and nature of interest (financial/otherwise).

Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary – Information as provided to the Audit Committee

Supporting Reports: Valuation or external expert report, if relied upon.

Justification: Why the RPT is in the interest of the listed entity.

Any other information that may be relevant.

Simplification of Disclosure Requirements

Introduces **tiered disclosure thresholds** for RPTs based on materiality:

- ✓ ≤ ₹1 crore → no minimum information required
- ✓ ₹1 crore to 1% of turnover / ₹10 crore → **simplified Annexure-13A of this circular disclosure**
- ✓ Above thresholds → **full ISF disclosure**

Reduces compliance burden for routine or low-value transactions.

Materiality-Linked Governance

Focus of Audit Committee and shareholders is directed toward **higher value transactions** that could affect decision-making or financial statements.

Encourages efficient **risk-based oversight** while maintaining transparency.

Aggregation Principle

Thresholds apply **individually or cumulatively during the financial year**, including transactions ratified by the Audit Committee.

Prevents splitting of transactions to bypass disclosure requirements.

Ease of Doing Business for Listed Entities