



## ASHIMA LIMITED

### *Details of Familiarization Programmes imparted to Independent Directors*

*(In terms of Regulation 25 and 46 (2) (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*

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Ashima Ltd (AL), has an on-going familiarization programme for its independent directors which includes the following:

#### **Initial Familiarization**

The Independent Directors are provided with an overview of the requisites criteria of independence, roles, rights, duties and responsibilities of independent directors, terms of appointment, the code of conduct and insider trading regulations, disclosure and business interests, nature of the industry and business model of the company and policies of the company and other important regulatory aspect as relevant for directors.

#### **Ongoing Familiarization**

The Independent Directors are apprised at Board Meetings and Committees meetings on the Company operations, governance, internal control process and other relevant matters. They are also updated on important changes in the regulatory framework and business environment having impact on the Company.

On an Ongoing process, the Independent Directors are updated on quarterly basis through presentations and discussions on the overall economic trends, the performance of the company's various divisions, business strategy, risk involved and analysis of the circumstances which helped or adversely impacted the Company's performance and the initiatives taken/ proposed to be taken to bring out about an overall improvement in the performance of the Company.

#### **❖ Details of Familiarization Programs**

1. In FY 2015-16, on an average 5 hours were spent by the independent directors on familiarizing / updating themselves with the business / operations,

SEBI Listing Regulation, 2015, the Companies Act, 2013 and challenges faced by the industry on an ongoing basis.

2. In FY 2016-17, on an average 5 hours were spent by the Independent Directors on familiarization/ updating themselves with the business/operations and challenges faced by the industry on an ongoing basis.
3. In FY 2017-18, on an average 7 hours were spent by the independent directors on familiarizing / updating themselves with the business environment and operations, corporate governance related matters and regulatory changes/updates concerning implementation of IND AS, GST and amendments in Companies Act carried out by Companies Amendment Act, 2017.
4. In FY 2018-19, on an average 6.5 hours were spent by the Independent Directors on familiarizing / updating themselves with the operations and business environment, corporate governance matters and regulatory changes / amendment / updates concerning GST, SEBI Listing Regulations and various amendments carried out in the Companies Act.
5. In FY 2019-20, on an average 3 hours were spend by the Independent Directors on familiarizing / updating themselves with business model of the Company, Rights and Responsibility of Independent Directors, challenges faced by the industry on an ongoing basis and recent changes in the regulatory framework.
6. In FY 2020-21, on an average 3 hours were spend by the Independent Directors on familiarizing / updating themselves with salient aspects of the Companies Amendment Act, 2020 inter-alia includes Amendments related to Ease of Living for Corporates, Ease of Compliances, strengthening of Corporate Governance, Reduction in amount of monetary penalty, Omission of punishment with imprisonment, Removal of Penal Provisions, Amendments relating to Adjudication, Compounding etc.
7. In FY 2021-22, on an average 5 hours were spent by the Independent Directors on familiarizing / updating themselves with amendment in the provisions of Corporate Social Responsibility (CSR) which became effective from 22<sup>nd</sup> January 2021. The said amendments inter-alia included introduction of the concept of ongoing projects, mandatory impact assessment for bigger projects, enhanced disclosures, treatment of unspent CSR amount, revised criteria for implementing agencies, provisions of penalties, etc.

Further, Directors have also updated themselves with amendments under SEBI LODR amendments which became effective from 6<sup>th</sup> May 2021 and which have been incorporated to strengthen Corporate Governance practices, to ease the Compliance burden and to harmonize SEBI LODR Regulations with the Companies Act.

The Independent Directors were also briefed and updated on certain major changes in the provisions which became effective from 1<sup>st</sup> January 2022. The provisions related to Independent Directors (IDs) i.e. eligibility, appointment, re-appointment and resignation of IDs, composition of Nomination and Remuneration Committee, Related Party Transactions to be approved by only IDs on the Audit Committee.

8. In FY 2022-23, on an average 4 hours were spent by the Independent Directors on familiarizing / updating themselves with important regulatory changes in SEBI Regulations namely SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and also updates from Ministry of Corporate Affairs.

Changes in aforesaid SEBI Regulations pertained to Related Party Transactions (RPTs) regime for the listed entities pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 vide notification dated 9<sup>th</sup> November, 2021, which became effective from 1<sup>st</sup> April, 2022. Several material changes have been made in the corporate governance regime pertaining to RPT disclosures and approvals for listed entities. The listed entities are required to submit to the Stock Exchanges disclosure of RPTs in format prescribed by SEBI and also specified information is to be placed before the Audit Committee and the shareholders for consideration of RPTs.

A detailed note on the above changes summarizing the salient aspects was provided to the Independent Directors, at the meeting of Board of Directors held on 14<sup>th</sup> May 2022.

In the Board Meeting held on 3<sup>rd</sup> February 2023, the Independent Directors were also updated with regard to regulatory changes / updates in the Companies Act, 2013 and applicable SEBI Regulations. The salient features of the regulatory changes / updates in the Companies Act, 2013 and SEBI Regulations are as follows:

1. SEBI permitted Investors / Shareholders to submit self-attested copies of documents instead of affidavits or attestation or notarization of documents to RTA for all service requests, except transmission.
2. Appointment / Re-appointment of a person including as a managing director or a Whole-time Director which was earlier rejected by the

shareholders at the general meeting can be done only with prior approval of shareholders with detailed explanation and justification by Nomination and Remuneration Committee (NRC) and the Board of Directors for recommending the appointment/ re-appointment of such a person.

3. To improve ease of doing business and to prevent inadvertent non-compliances of provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI has put a framework for restricting trading by Designated Persons by freezing PAN at security level.
  4. MCA vide its circular dated 28.12.2022 allowed companies to conduct their AGMs / EOGMs / Postal Ballot which are due in year 2023 on or before 30<sup>th</sup> September 2023, through Video Conference (VC) or other Audio Visual Means (OVAM).
  5. Relaxation granted earlier, relating to dispatching physical copies of financial statements as prescribed u/s 136 of the Companies Act, 2013 i.e. Financial statements, Board's Report, Auditor's Report etc., to those shareholders who have not registered their email addresses, has been further extended up to 30<sup>th</sup> September, 2023 for AGMs to be conducted till this date.
  6. SEBI vide its recent modification dated 17.01.2023 has amended the definition of word "Senior Management" defined under Regulation 16(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the said amendment, now all functional heads of the Company are considered part of "Senior Management" of the Company.
9. In FY 2023-24, on an average 3 hours were spent by the Independent Directors on familiarizing / updating themselves with significant changes/ amendments notified under SEBI Regulations and particularly under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013.

In the Board Meeting held on 08<sup>th</sup> February 2024, the Independent Directors were also updated with regard to regulatory changes / amendments/ updates under the Companies Act, 2013 and applicable SEBI Regulations. A note on the regulatory changes/ amendments/ updates which are relevant and applicable to the Company was presented in the aforesaid meeting as part of the familiarization programme for Independent Directors in terms of Reg. 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The salient features regulatory changes / amendments/ updates under the Companies Act, 2013 and applicable SEBI Regulations are as follows:

1. The substantial amendments introduced by SEBI to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') vide SEBI notification No. SEBI/LAD-NRO/GN/2023/131 dated 14.06.2023 are listed below:
  - i. Any vacancy in the office of Managing Director, Whole time Director, Company Secretary and CFO shall be filled immediately and not later than three months from the date of such vacancy.
  - ii. Events specified in Para B of Part A of Schedule III of the SEBI LODR Regulations, are required to be disclosed to the Stock exchanges based on application of the guidelines for materiality, as specified in Regulation 30(4) of the SEBI LODR Regulations. In the said Regulations, the following additional criteria are added to the existing criteria for determining the materiality of events:
    - The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
      - a. Two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
      - b. Two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
      - c. Five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.
  - iii. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company ("Parties") among themselves or with the Company or with a third party either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges (without applying the materiality criteria), including disclosure of any rescission, amendment or alteration of such agreements, whether or not the Company is a party to such agreements.
  - iv. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its

directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of matters relating to Suspension, Imposition of fine or penalty, settlement of proceedings, debarment, disqualification, closure of operations, sanctions imposed, warning or caution or any other similar action(s) by whatever name called needs to be disclosed to the Stock Exchanges without applying the materiality criteria.

2. SEBI in order to rationalize the compliance requirement under SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), improve ease of doing business and prevent inadvertent non-compliances of provisions of PIT Regulations by DPs, has put in place a framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level, vide its circular no. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/124 dated 19 July 2023.

The aforesaid framework of freezing PAN at security level is applicable for Ashima Limited w.e.f January 1, 2024 and accordingly details of DPs were uploaded on the portal of CDSL, the Designated Depository of the company to enable them to restrict trading by freezing PAN of DPs during Trading Window Closure period.

3. SEBI vide its circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated 31.07.2023 has introduced a common Online Dispute Resolution Portal (“ODR Portal”). Pursuant to the said circular Company has registered itself on the ODR Portal and displayed a link to the ODR Portal on the home page of Company’s website.

According to the circular, investors shall first take up their grievance with the Company by lodging a complaint directly with the Company. The Company shall promptly attend to all such complaints and disputes in accordance with the applicable laws.

If the grievance is not redressed satisfactorily, the investors may escalate the same through the SCORES Portal in accordance with the SCORES guidelines.

After exhausting these options for resolution of the grievance, if the investor is still not satisfied with the outcome, they can initiate dispute resolution through the ODR Portal.

4. MCA vide its General Circular No. 09/2023 dated 25.09.2023 allowed companies to conduct their AGMs / EGMs which are due in year 2024 on

or before 30<sup>th</sup> September 2024, through Video Conference (VC) or other Audio Visual Means (OVAM) or transact items through postal ballot in accordance with the framework provided in MCA Circulars.

5. Relaxation granted earlier, relating to dispatching physical copies of financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), as prescribed u/s 136 of the Companies Act, 2013, has been further extended up to 30<sup>th</sup> September, 2024 for AGMs to be conducted till this date vide General Circular No. 09/2023 dated September 25, 2023 issued by MCA read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD- 2/P/CIR/2023/167 dated 07.10.2023.

10. In FY 2024-25, on an average 4 hours were spent by the Independent Directors on familiarizing / updating themselves with significant changes/ amendments notified under SEBI Regulations and particularly under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and updates from ministry of Corporate Affairs.

In the Board Meeting held on 15<sup>th</sup> February, 2024, the Independent Directors were updated with regard to regulatory changes / amendments/ updates under the Companies Act, 2013 and applicable SEBI Regulations. A note on the regulatory changes/ amendments/ updates which are relevant and applicable to the Company was presented in the aforesaid meeting as part of the familiarization programme for Independent Directors in terms of Reg. 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The salient features regulatory changes / amendments/ updates under the Companies Act, 2013 and applicable SEBI Regulations are as follows:

1. **SEBI vide its notification No. SEBI/LAD-NRO/GN/2024/218 dated 12<sup>th</sup> December, 2024** amended LODR Regulations through SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024. The substantial amendments made are listed below:
  - i. Related Party Transactions –
    - (a) Certain uniformly applicable Corporate Actions, even by a subsidiary of the Company shall be exempted from the definition of Related Party Transactions. Earlier, such exemption only covered Corporate Actions by the Listed entity.

- (b) Audit Committee of the Company can now grant Omnibus Approval for Related Party Transactions proposed to be entered into by its Subsidiary.
  - (c) Ratification of Related Party Transactions by Audit Committee within 3 months, subject to certain conditions, including a maximum limit of Rs. 1 Cr.
  - (d) Approval of Audit Committee and Disclosure on Stock Exchange not required for remuneration and sitting fees paid to Directors & KMPs (other than Promoters), unless above materiality thresholds (*i.e. lower of Rs 1,000 crore or 10% of consolidate turnover*)
- ii. Secretarial Auditor –
- (a) As against yearly appointments, Secretarial Auditor will now be appointed for a fix term of five year and if it is a Firm, it can be re-appointed for additional term of five years.
  - (b) Secretarial Auditors shall now be appointed in Annual General Meeting.
  - (c) Approval of Board is required for availing any services other than Audit from Secretarial Auditors.
  - (d) Disqualifications of Secretarial Auditors is prescribed.
- iii. “Material subsidiary” shall mean a subsidiary, whose **Turnover** or net worth exceeds ten percent of the consolidated **Turnover** or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- iv. Disclosures as per Regulation 30 –
- Events specified in Para A of Part A of Schedule III of the SEBI LODR Regulations, are required to be disclosed to the Stock exchanges without any application of the guidelines for materiality, as specified in Regulation 30(4) of the SEBI (LODR) Regulations, 2015. Following events are added/amended to Para A of Part A of Schedule III and shall be disclosed to the Stock Exchanges without any application of materiality criteria:
- Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.
- Explanation (1) - For the purpose of this sub paragraph, the word 'acquisition' shall mean –
- (i) acquiring control, whether directly or indirectly; or

- (ii) acquiring or agreement to acquire shares or voting rights in a Company, whether existing or to be incorporated, whether directly or indirectly, such that
  - (a) the listed entity holds shares or voting rights aggregating to twenty per cent or more of the shares or voting rights in the said company; or
  - (b) there has been a change in holding from the last disclosure made under sub - clause (a) of clause (ii) of the Explanation to this sub - paragraph and such change exceeds five per cent of the total Shareholding or voting rights in the said company; or
  - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub - regulation (4) of regulation 30:

Provided that acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last disclosure made under this proviso exceeding two per cent of the total shareholding or voting rights in the said unlisted Company shall be disclosed on a quarterly basis in the format as may be specified.

- Imposition of fine or penalty of Rs. 1 lakh or more, imposed by sectoral regulator or enforcement agency and fine or penalty of Rs. 10 lakhs or more imposed by other authority or judicial body shall be disclosed to the Stock Exchange within 24 hours. If the amount of fine or penalty imposed are lower than the specified monetary thresholds, shall be disclosed on a quarterly basis.

v. Website Disclosures –

- (a) Memorandum and Articles of Association, and (b) Brief profile of board of directors including directorship and full-time positions in body corporates also to be hosted on the website of the Company
- (b) Revised timelines and preservation period prescribed for hosting of Audio/ Video Recordings, Transcript and Presentations of post earnings or quarterly calls made to Investors, as follows:
  - Audio Recordings of post earnings call – before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier, for atleast two years.
  - Video Recordings – to be hosted within 48 hours, for atleast two years
  - Transcript – to be hosted within 5 working days, for atleast five years
  - Presentation - prior to beginning of such events

- vi. The Company shall publish an advertisement in Newspaper, within 48 hours of conclusion of Board of Directors at which financial results were approved, containing a Quick Response code (QR Code) and the details of the webpage where complete financial results of the listed entity is accessible to the Investors. Although the Company still may voluntarily publish financial results in terms of regulation 33.
  - vii. Outcome of Board Meeting may now be filed within 3 hours of conclusion of the Board Meeting, if the meeting concludes after the trading hours but before atleast three trading hours of next trading day.
2. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2024/215 dated 4<sup>th</sup> December, 2024 amended LODR Regulations through SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2024, as follows:
- (i) Definition of Connected Person has been substituted as follows:

Any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship, whether temporary or permanent, with the company, that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
  - (ii) Definition of 'Deemed to be Connected Person' shall now also include (a) a firm or its partner or its employee in which a connected person as per (i) above is also a partner; (b) a person sharing household or residence with a connected person as per (i) above.
  - (iii) Term "Relative" is now defined, which shall now include:
    - i. spouse of the person;
    - ii. parent of the person and their spouse;
    - iii. sibling of the person and their spouse;
    - iv. child of the person and their spouse;
    - v. spouse of the person listed at (iii) and (iv)
3. Ministry of Corporate Affairs (MCA) vide General Circular No. 09/2024 dated 19<sup>th</sup> September 2024 allowed the companies to conduct their Annual General Meetings (AGMs) which are due in the year 2025, and also conduct Extraordinary General

Meetings (EGMs) or to transact any business through Postal Ballot, on or before 30<sup>th</sup> September 2025 through Video Conference (VC) or Other Audio Visual Means (OAVM) in accordance with the requirements laid down earlier by MCA due the threat posed by Covid-19.

This would obviate the need to send physical copies Annual Report and/or AGM/EGM or Postal Ballot Notices and holding of a physical AGM/ EGM at a fixed venue.

4. Similarly, SEBI vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3 October 2024 relaxed the requirements specified in regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) relating to dispatching hard copy of the statement containing salient features of all the documents as prescribed in section 136 of the Companies Act, 2013 (financial statements, Board’s report, Auditor’s report etc.), to those shareholders who have not registered their email addresses. The said relaxation exempting dispatch of hard copies of Annual Report initially extended till December 31, 2021, and subsequently extended up to December 31, 2022, September 30, 2023 and September 30, 2024 has been now extended further till September 30, 2025 for AGMs to be conducted till this date.

11. In FY 2025-26, on an average 4 hours were spent by the Independent Directors on familiarizing / updating themselves with significant changes/ amendments notified under SEBI Regulations and particularly under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and updates from ministry of Corporate Affairs.

In the Board Meeting held on 13<sup>th</sup> February, 2025, the Independent Directors were updated with regard to regulatory changes / amendments/ updates under the Companies Act, 2013 and applicable SEBI Regulations. A note on the regulatory changes/ amendments/ updates which are relevant and applicable to the Company was presented in the aforesaid meeting as part of the familiarization programme for Independent Directors in terms of Reg. 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The salient features regulatory changes / amendments/ updates under the Companies Act, 2013 and applicable SEBI Regulations are as follows:

**1. SEBI vide Notification No. SEBI/LAD-NRO/GN/2025/235 dated 11th March, 2025 expanded the definition of Unpublished Price Sensitive Information (UPSI) to expressly include, inter alia:**

- i) financial results;
- ii) dividends;
- iii) change in capital structure;
- iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions;
- v) changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- vi) change in rating(s), other than ESG rating(s);
- vii) fund raising proposed to be undertaken;
- viii) agreements, by whatever name called, which may impact the management or control of the company;
- ix) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- x) resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- xi) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- xii) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
- xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- xv) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Impact:- The amendment provides clearer guidance and broadens the coverage of UPSI. Directors, KMPs and connected persons must exercise greater caution while dealing in the Company's securities whenever such events are under consideration or pending disclosure.

2. The Ministry of Corporate Affairs (MCA), vide General Circular No. 03/2025 dated 22nd September 2025, has permitted companies to conduct their Annual General Meetings (AGMs), Extraordinary General Meetings (EGMs) and to transact items of business through

Postal Ballot through Video Conferencing (VC) or Other Audio-Visual Means (OAVM), in accordance with the requirements and procedures prescribed in the earlier MCA circulars issued in this regard, until further orders, in view of the continuing concerns arising from the Covid-19 pandemic.

Accordingly, this dispenses with the requirement of sending physical copies of the Annual Report and/or AGM, EGM or Postal Ballot Notices, as well as the requirement of holding a physical AGM/EGM at a fixed venue.

### 3. SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (FIFTH AMENDMENT) REGULATIONS, 2025

Important Changes introduced by the 5<sup>th</sup> Amendment dated 18<sup>th</sup> November, 2025.

Sr. No.	(1) Regulation / Area	(2) Subject Matter	(3) Existing / Old Provision	(4) New Provision (Post 5th Amendment)	(5) Implications / Updated Compliance Requirements (Business Language)
1	<b>Regulation 2(1)(zc)</b>	Definition of Related Party Transaction (RPT)	Exemption covered only "retail purchases from any listed entity or its subsidiary by its directors or its employees" without establishing business relationship and at uniformly applicable terms.	Exemption now extends to "directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel".	KMPs and their relatives can now make retail purchases without triggering RPT approval requirements, thus reducing RPT compliance burden.  However, there is no relief in case of restriction on transactions between Independent Directors and the company.
2	<b>Regulation 23 (Materiality of RPTs)</b>	Materiality thresholds for RPTs	Transactions for a financial year exceeding ₹1,000 Crore OR 10% of annual consolidated	Materiality determined per Schedule XII with sliding-scale thresholds based on annual consolidated	Only very big companies benefit from proportionately higher thresholds, reducing their

Sr. No.	(1) Regulation / Area	(2) Subject Matter	(3) Existing / Old Provision	(4) New Provision (Post 5th Amendment)	(5) Implications / Updated Compliance Requirements (Business Language)
			turnover (whichever lower) were considered material and required shareholder approval. Single threshold applied uniformly to all listed entities irrespective of size.	turnover (ACT) of listed entity: <ul style="list-style-type: none"> <li>• Slab I: ACT ≤ ₹20,000 Cr: 10% of ACT</li> <li>• Slab II: ACT &gt;₹20,000 Cr to ≤₹40,000 Cr: ₹2,000 Cr + 5% of ACT above ₹20,000 Cr</li> <li>• Slab III: ACT &gt;₹40,000 Cr: ₹3,000 Cr + 2.5% of ACT above ₹40,000 Cr (capped at ₹5,000 Cr)</li> </ul>	compliance burden.
3	<b>Subsidiary RPT Oversight</b>	Audit Committee approval for Subsidiary RPTs	Any RPT by subsidiary (where listed entity not party) exceeding 10% of listed entity's annual consolidated turnover required prior approval of the listed entity's Audit Committee.  No minimum transaction size specified.	If a subsidiary's RPT exceeds the lower of: (i) 10% of subsidiary's standalone turnover or (ii) the entity's consolidated materiality threshold (as per column 4 in point 2 above), prior approval of the listed entity's Audit Committee is required.	Introduces minimum transaction size (₹1 Crore) as efficiency filter. Shifts focus from listed entity's turnover to subsidiary's turnover or materiality, allowing subsidiary-level transactions to scale appropriately.
4	<b>Approval for</b>	newly	Regulation	For subsidiary with	Recognizes

Sr. No.	(1) Regulation / Area	(2) Subject Matter	(3) Existing / Old Provision	(4) New Provision (Post 5th Amendment)	(5) Implications / Updated Compliance Requirements (Business Language)
	<b>RPTs by a newly Incorporated Subsidiary</b>	incorporated subsidiaries lacking one year of audited financials	23(2)(c) as amended in April 2023 required audit committee approval if RPT exceeded 10% of subsidiary's annual standalone turnover. Applied uniformly regardless of whether subsidiary had audited financials	LESS THAN 1 year of audited standalone financials: Prior audit committee approval required for RPT exceeding ₹1 Crore if transaction exceeds lower of: <ul style="list-style-type: none"> <li>• 10% of aggregate paid-up share capital + securities premium account of subsidiary, or</li> <li>• Listed entity's materiality threshold per Schedule XII</li> </ul>	practical difficulty in applying turnover-based tests for newly incorporated entities. Transactions upto the specified limit may not need prior approval of audit committee.
5	<b>Omnibus Approval Validity</b>	Validity term of omnibus approvals for material RPTs	Omnibus approvals (where permitted) were generally valid for one year, without specific linkage to AGM timelines.	Now validity is: <b>(A)</b> If approved at the AGM – valid upto the next AGM; <b>(B)</b> if granted at a general meeting other than the AGM, it is valid for one year from approval date.	Beneficial in case approval is taken at the AGM and the gap for the next AGM exceeds 1 year.

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