

**Policy**

*On*

**Materiality of Related Party  
Transactions and also on dealing with  
Related Party Transactions**

## **1. Preamble**

This Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions (“Policy”) is prepared and adopted to build a framework for the Related Party Transactions of PTC India Financial Services Limited (“ PFS” or “Company”), in accordance with the requirement of SEBI (Listing obligations and Disclosure requirements) Regulations, 2015 (“Listing regulations”) read with the provisions of Section 177 and 188 of Companies Act, 2013 (“the Act”) and relevant rules made thereunder, as amended from time to time.

SEBI Regulations specifies that the Company is required to formulate a policy on materiality of related party transactions including clear threshold limits duly approved by the board of directors and also on dealing with Related Party Transactions.

The Company does not have any subsidiary company as on the date of the review of the Policy, therefore the provisions applicable with respect to subsidiary will not be applicable and the policy will be reviewed and updated in case PFS forms any subsidiary.

## **2. Purpose of the Policy**

Pursuant to Regulation 23(1) listed companies shall formulate their policy on materiality of related party transactions and also on dealing with Related Party Transactions, to ensure the proper approval and reporting of transactions between the Company and its Related Parties. The Company is required to take various approval of its related party transactions from the Audit Committee/ Board/Shareholders as the case may be and also disclosure with respect to the same are required to be made in the Board Report, Financial Statements and other specified documents. This Policy is also prepared for the identification and regulation of the Related Party Transactions keeping in view the provisions of the Companies Act, 2013 and the Rules made thereunder and Listing Regulations.

## **3. Applicable Definitions**

**3.1 “Act”** means Companies Act, 2013;

**3.2 “Arm’s 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 as defined in explanation (b) of

section 188 of the Act.

**3.3 “Board of Directors” or “Board”** means the collective body of the Directors of PFS as constituted from time to time.

**3.4 “Committee”** means the Audit committee of Board of PTC India Financial Services Ltd. as defined under the Companies Act,2013 and the Listing Regulations.

**3.5 “Company”** means PTC INDIA FINANCIAL SERVICES LIMITED(PFS);

**3.6 “Material Modification”** in relation to a related party transaction approved by the Audit committee or a material related party transaction approved by the shareholders as the case may be, material modification means any variation having an impact on the monetary limits already approved by the Audit committee or Shareholders.

**3.7 “Material Related Party Transaction”** a transaction with a related party shall be considered material if the transaction(s) to be entered individually or taken together with previous transaction during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of PFS as per the last audited financial statements of PFS, whichever is lower.

**3.8 “Related Party transactions”** means Contract or arrangement with a related party, as defined under Regulation 2(1)(zc) of SEBI (LODR) Regulations, 2015 and Section 188 of the Companies Act, 2013 and the rules made thereunder. (*Refer Annexure I*)

**3.9 “Policy”** means this Policy on materiality of related party transactions and also on dealing with Related Party Transactions of PFS;

**3.10 “Rules”** means the Company (Meetings of Board and Its Powers) Rules, 2014;

**3.11 “Related Party”** shall have the same meaning as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards and regulation 2(1)(zb) of SEBI (LODR) Regulations, 2015. (*Refer Annexure II*)

#### **4. The Policy**

Following is the structure of dealing with transactions with Related Parties with PFS:

- Identification of Related Party Transactions and potential Related Party Transactions;

- Approval of Related Party Transactions; and
- Disclosure of Related Party Transactions.

**I. Identification of Related Party Transactions and potential Related Party Transactions;**

- (i) Each Director and Key Managerial Personnel (KMP) is responsible to notify to the Board regarding persons and entities to be considered as 'Related Parties' by virtue of his/her being Director/ KMP in the company. Such Notice shall be issued to the company at the time of appointment and also at the commencement of a financial year and whenever there is any change in the disclosures already made.
- (ii) The Promoter/ Holding Company is responsible to notify to the Board/Compliance Officer regarding persons and entities to be considered as 'Related Parties' by virtue of the provisions of the Act and Listing Regulation. The information will be sought from the Holding co. on quarterly basis and if there is any change during the quarter, the holding co. will be responsible to notify the changes.
- (iii) The Directors and KMPs should disclose to the Board whether they, directly, indirectly, or on behalf of third parties, have interest in any transaction or matter directly affecting the Company. In addition, every Director and the KMP of the Company shall be responsible for providing the information and notice of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that may be reasonably requested, to the Chairman of the Audit Committee, in writing. Such notice of any potential RPT should be given well in advance so that the Company has adequate time to obtain and review information about the proposed transaction and place the same before the Audit Committee.
- (iv) The Audit Committee will determine whether or not such a transaction constitutes a Related Party Transaction, requiring the compliance with this Policy. The Audit Committee shall review information about the proposed transaction, and refer it to the Board of Directors for its approval, if required

## **II. Approval of Related Party Transactions:**

### **1. Audit Committee**

i. All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee of PFS and only those members of the audit committee, who are independent directors, shall approve related party transactions.

ii. However, as per Rule 6A of the Companies Act, 2013 (Meeting of Board and its powers) Second Amendment Rules, 2015 and the listing regulations, the Audit Committee may grant the omnibus approval for Related Party Transaction subject to the following conditions:

1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:-

(a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;

(b) the maximum value per transaction which can be allowed;

(c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

(d) review on quarterly basis, the related party transaction entered into by the company pursuant to each of the omnibus approval made;

(e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

2. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -

(a) repetitiveness of the transactions (in past or in future);

(b) justification for the need of omnibus approval.

3. The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.

4. The omnibus approval shall contain or indicate the following: -
  - (a) name of the related parties;
  - (b) nature and duration of the transaction;
  - (c) maximum amount of transaction that can be entered into;
  - (d) the indicative base price or current contracted price and the formula for variation in the price, if any; and
  - (e) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore (1 crore) per transaction.

5. Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
6. Any other conditions as the Audit Committee may deem fit.
7. In compliance to the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:
  - (a) The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year, will be 5% of the annual turnover of the Company as per its last audited financial statements.
  - (b) The Maximum value per RPT which can be approved under omnibus route will be 2.50% of the annual turnover of the company as per last audited financial statements of the company,.
  - (c) Extent and manner of disclosures to be made to the committee at the time of seeking omnibus approval;
8. The requirement for seeking Audit Committee approval for related party transactions shall not be applicable to transactions entered into between two government companies;

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

- i. Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company.
- ii. Whether the nature of the proposed transaction is something that the Company would have

ordinarily done in the course of its business;

- iii. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- iv. Where the ratification of the Related Party Transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company or in contravention of any law; and
- v. Any other factor the Committee deems relevant for reviewing and approving such Related Party Transaction.

The Agenda of the Meeting at which such Related Party Transaction is proposed to be reviewed/approved by the Audit Committee shall disclose the following: -

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the 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);
- f. 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.
  
- g. Justification as to why the RPT is in the interest of the Company;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
  
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
  
- j. Any other information that may be relevant

The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

The following transactions will not be subject to the omnibus approval of the Audit Committee but may be approved by the Committee as and when required:

- a. Transactions which are not at arm's length or not in the ordinary course of business;
- b. Transactions which are not repetitive in nature;
- c. Transactions exceeding materiality thresholds as laid down above;
- d. Omnibus approval route is not applicable in case of selling or disposing off the undertakings of the Company;
- e. Financial Transactions e.g. 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;
- f. Any other transaction the Audit Committee may deem not fit for omnibus approval.

## **2. Approval of the Board of Directors**

All kinds of transactions specified under section 188 of the Companies Act, 2013, and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before



the Board for its approval apart from approval of the Audit Committee:

- a. Transactions which may be in the ordinary course of business and at arm's length basis, but which are beyond value threshold and / or other parameters as per the policy determined by the Board from time to time read together with Section 188 of The Companies Act, 2013 and Rules made thereunder and Regulation 23 of SEBI (LODR);
- b. Transactions in respect of which the Audit Committee requires Board approval.

Any member of the Board, who has a potential interest in any RPT, will recuse himself or herself and abstain from discussion or voting on the approval or ratification of such RPT.

### **3. Shareholders' Approval**

- (i) Shareholders' approval shall be required for the following Transaction(s):
  - a. All the Material Related Party Transactions and subsequent material modification(s) shall require prior approval of the shareholders through a resolution.
  - b. In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not at arm's length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its prior approval.
- (ii) All entities falling under the definition of the Related Parties shall not vote to approve such resolutions whether the entity is a party to the particular transaction or not.
- (iii) Information to be provided to Shareholders for consideration of RPT

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

- a. A summary of the information provided by the management of the Company to the audit committee as specified above;

- b. Justification for why the proposed transaction is in the interest of the Company;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company, the details specified above; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
- d. 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;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant

### **III. Disclosure of Related Party Transactions**

1. Every material related party transaction entered into shall be disclosed to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
2. Adequate disclosure of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
3. The Company shall disclose the Policy on dealing with Related Party Transactions on its website and also a web link thereto shall be provided in the Annual Report.
4. A register of Related Party Transactions shall be maintained as per the Companies Act, 2013 and placed before the Board and signed by all the directors present at the Meeting.
5. Disclosure regarding Related Party relationship and transactions with them are made in the Financial Statements as per the requirements of relevant Accounting Standards and the Listing Regulations.
6. Details with respect to Related Party Transactions are to be disclosed to the Stock Exchanges (where shares of the company are listed) in the compliance report on corporate governance.

## **5. Related Party Transactions not approved under the Policy:**

In the event the Company comes to know of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all the relevant facts & circumstances regarding the said transaction and shall evaluate all options available with the Company including revision, ratification or termination of the Related Party Transaction. The Committee shall also examine the reasons for not reporting the Related Party Transaction to the Committee and shall take any reasonable action in this regard as it deems appropriate.

In case the Committee decides not to ratify a Related Party Transaction that has been commenced without approval, the Committee, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with the review of the Related Party Transaction, the Committee has authority to modify/waive any procedural requirements of this Policy to the extent not in conflict with the requirement of law.

## **6. INDEMNITY AGAINST LOSSES TO THE COMPANY AND PENALTY**

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting where consent is required to be obtained by law and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

The Company can also proceed against a Director or any other employee for recovery of any loss sustained by it as a result of a contract/ arrangement entered into by such person in contravention of the provisions of the law relating to Related Party Transactions.

The Director or employee of the company, who had entered or authorised the contract or arrangement in violation of the provisions of the Act shall be liable to a penalty of twenty-five lakh rupees.

## **7. REVIEW**

The Board of Directors shall review this policy atleast once in every 3 years and may amend this policy at any time, in whole or in part, from time to time as per the requirement of the Act or any statute.

In case of any amendment(s), clarification(s), notification(s) and circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall be deemed to be modify(ied) / or amended accordingly from the effective date as laid down under such amendment(s), clarification(s), notification(s) and circular(s), etc.

## **8. DISCLAIMER**

In case of any discrepancy between the above Policy, the Companies Act, 2013 and the Listing Regulations or any rules or regulations made thereunder or under any other applicable statutory enactment of law, the enacted law / rule / regulation / provision shall prevail over the above Policy. Any subsequent modification / amendment in the listing Regulations, Act and / or applicable law in this regard shall automatically apply to this Policy.

### *Footnote:*

*Version 0: Original policy dated 15.01.2015*  
*Version 1: First amendment dated 13.06.2020*  
*Version 2: Second amendment dated 18.08.2023*

*This Policy has been communicated to all operational employees and other concerned persons of the Company and placed on the website of the Company at [www.ptcfinancial.com](http://www.ptcfinancial.com).*

## **Annexure I**

### Related Party Transactions

- I. Related Party Transactions specified under Section 188 of the Act.
  - a) sale, purchase or supply of any goods or materials.
  - b) selling or otherwise disposing of, or buying, property of any kind;
  - c) leasing of property of any kind;
  - d) availing or rendering of any services;
  - e) appointment of any agent for purchase or sale of goods, materials, services or property;
  - f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
  - g) underwriting the subscription of any securities or derivatives thereof, of the company.

## II. SEBI LODR Regulations, 2015- Definition of Related Party Transaction

### **Chapter 1, Section 2(zc)**

“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:

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 by the listed entity 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) 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:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

Annexure II

### Related party defined under the Act, Listing Regulations and applicable Accounting Standards.

#### 1. Companies Act, 2013

Definition of Related Party - Section 2(76) of the Companies Act, 2013

Related party, with reference to a company, means

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;

- (iv) a private company in which a director or manager or his relative is a member or director
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any company which is
  - A. a holding, subsidiary or an associate company of such company;
  - B. a subsidiary of a holding company to which it is also a subsidiary; or
  - C. an investing company or the venture of the company

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- (ix) such other person as may be prescribed;

For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

#### Definition of relative - Section 2(77) of the Companies Act, 2013

“Relative”, with reference to any person, means any one who is related to another, if:

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed.

#### Definition of Subsidiary - Company Section 2(87) of the Companies Act, 2013

“Subsidiary company” or “subsidiary”, in relation to any other company (that is to say the holding company), means a company in which the holding company:

- (i) controls the composition of the Board of Directors; or

- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies.

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation.—For the purposes of this clause,—

- (a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;
- (b) the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- (c) the expression —company includes any body corporate;
- (d) —layer in relation to a holding company means its subsidiary or subsidiaries

Definition of Member - Section 2(55) of the Companies Act, 2013 “Member”, in relation to a company, means:

- (i) the subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;
- (ii) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;
- (iii) every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository.

Definition of Key Managerial Person - Section 2(51) of the Companies Act, 2013 “Key managerial personnel”, in relation to a company, means:

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed.

Definition of Holding Company - Section 2(46) of the Companies Act, 2013

“Holding company”, in relation to one or more other companies, means a company of which such companies are subsidiary companies.



‘Explanation.—For the purposes of this clause, the expression “company” includes any body corporate

Definition of Body Corporate - Section 2(11) of the Companies Act, 2013

“Body corporate” or “Corporation” includes a company incorporated outside India, but does not include”

- (i) a co-operative society registered under any law relating to co-operative societies; and
- (ii) any other body corporate (not being a company as defined in this Act), which the Central Government may, by notification, specify in this behalf;

## 2. Related party as per Ind AS 24

### **As per Para 9 of Ind AS 24**

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the ‘reporting entity’).

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:
  - (i) has control or joint control of the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).

- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

- (a) that person's children, spouse or domestic partner, brother, sister, father and mother;
- (b) children of that person's spouse or domestic partner; and
- (c) dependents of that person or that person's spouse or domestic partner.

### 3. SEBI LODR Regulations, 2015- Definition of Related Party

#### **Chapter 1, Section 2(zb)**

“Related party” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
  - a. of twenty per cent or more; or
  - b. of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party:

Provided [further] that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).