



APAC & ASSOCIATES LLP
Company Secretaries

ONE CONCEPT ONE SLIDE

Web Series – Oct. 2019_10

Topic: Related Party Transactions (RPT)

We have shifted
to new office

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Related Party Transactions (RPT)

November 18, 2019

Transactions

(not at arm's length or in ordinary course of business)

Board's Approval

Sale / purchase / supply
– Goods or Materials

Shareholder's Approval

• ≥10% turnover of the Company

Selling, Disposing of,
buying - Property

• ≥10% Net Worth of the Company

Leasing of property

• ≥10% turnover of the Company

Availing / Rendering –
Services

• ≥10% turnover of the Company

Office or place of profit

• > INR 2.5 lakh /month

Underwriting
subscription - securities
or derivatives

• > 1% Net Worth

Approval -
Board and/or
Members

Reporting &
Disclosure

- Form AOC-2 in Board's Report
- Statutory Register in Form MBP-4

Necessary
Compliance

Contraventions

1. Void – if not ratified within 3 months
2. Director / Any other concerned employee:
 - Recovery proceedings by Company; and/or
 - Fine - INR 25K – 5 lakhs; and /or
 - Imprisonment > 1 year for Listed company

Listed Company

1. Audit Committee – Omnibus Approval
2. Material* Transactions - Approval of unrelated members
3. RPT Half yearly disclosure (within 30 days) as per AS-18
4. Policy on materiality of RPT – Review every 3 years

Related Party-meaning



- Director, Manager, KMP or their relative#
- Partner in Firm
- Director/ Member in Private Company
- Director and holding ≥ 2%



- Accustomed to act in accordance with advice, directions or instructions : (Advices in professional capacity)
- Body Corporate
- Any other Person exempt)



- Holding
- Subsidiary (Exempt for private Companies)
- Associate
- Fellow Subsidiary



- Investing Company
- Venturer Company

Relative- members of HUF, Husband/wife and others as prescribed

* material > 10% of the annual consolidated turnover or in case of brand usage /royalty exceeds 5% of the annual consolidated turnover as per last audited financials



Related Party Transactions (RPT)

October 30, 2019

Transactions

(not at arm's length or in ordinary course of business)

Board's Approval

Sale / purchase / supply
– Goods or Materials

Shareholder's Approval

- $\geq 10\%$ turnover or INR 100 cr., whichever is less

Selling, Disposing of,
buying - Property

- $\geq 10\%$ Net Worth or INR 100 cr., whichever is less

Leasing of property

- $\geq 10\%$ turnover or $\geq 10\%$ Net Worth or INR 100 cr., whichever is less

Availing / Rendering –
Services

- $\geq 10\%$ turnover or INR 50 cr., whichever is less

Office or place of profit

- > INR 2.5 lakh /month

Underwriting
subscription - securities
or derivatives

- > 1% Net Worth

Related Party-meaning



- Director, Manager, KMP or their relative#
- Partner in Firm
- Director/ Member in Private Company
- Director and holding $\geq 2\%$



- Accustomed to act in accordance with advice, directions or instructions: (Advices in professional capacity)
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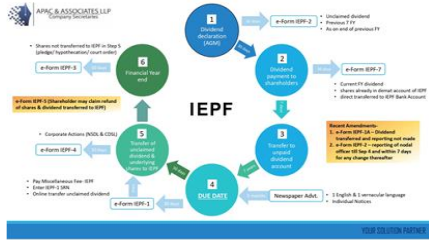
* material > 10% of the annual consolidated turnover or in case of brand usage /royalty exceeds 5% of the annual consolidated turnover as per last audited financials



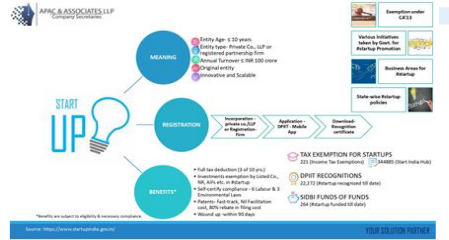
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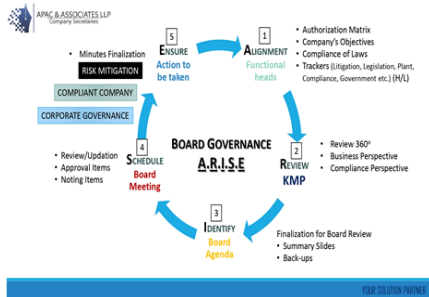
IEPF (Aug'19)



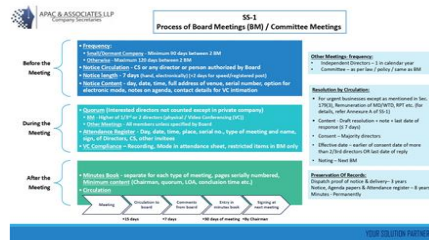
#startup (Sep'19)



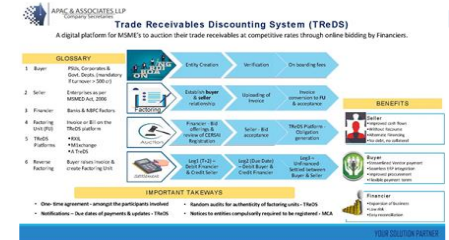
Board's Report (Oct'19)



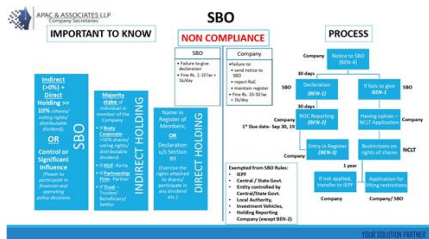
Board Governance (Sep'19)



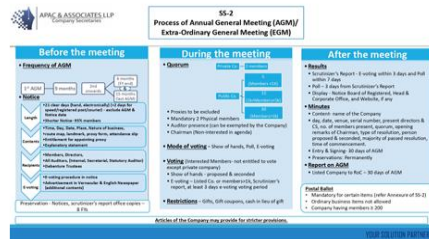
Secretarial Standard – 1 (Sep'19)



TReDS (Oct'19)



SBO (Sep'19)



Secretarial Standard – 2 (Sep'19)



Corporate Social Responsibility (Oct'19)



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PUBLICATIONS - APAC

Weekly Updates:

WEEKLYTE
SECRETARIAL UPDATES

Week 26 (2019-2020)

LAW UPDATES

Significant Beneficial Owner-Extension for E-form BEN-2 till 31.12.2019

Consequent to the representations and certain new aspects which require further examination and clarification, the time limit for filing of e-form BEN-2 (reporting of Significant Beneficial Owner) is extended upto 31.12.2019 without payment of an additional fees.

Source: http://mca.gov.in/Ministry/pdf/GeneralCircular_24092019.pdf

Unique Alpha-numeric Identification Number (Code)

CSI has made mandatory to quote a unique code for:

The members in practice (ICSI UDIN) in every document except an e-form, signed & attested by the members in practice.

Monthly Updates:

MONTHLYTE
Secretarial Updates August 2019

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A. Re-Shaping of Law

1.0 CSR Recommendations of High-Level Committee (HLC)

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B. Regulatory Changes

1.2 Companies (Amendment) Act, 2019- Enforcement

1.5 IEPF Compliance- Amendment

Private Circulation Only

Regular Online Updates

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COMPANY SECRETARIES

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