

**Amendment in Criteria of threshold limits for
Related Party Transactions (RPT)**

On 18th November, 2019 Ministry of Corporate Affairs (MCA) had notified 2nd amendment in **the Companies (Meeting of Board and its Powers) Rules, 2014** and amended criteria for Related Party Transactions (RPT) by amending Rule 15 (3) (a) (i) to (iv) of these Rule.

Following are the **amendments in threshold limits** for entering into any transaction by any Company with its Related Party, as prescribed under section 188(1) (a) to (e) of the Companies Act 2013, **only with the approval of members by way of an Ordinary Resolution .**

- (a) sale, purchase or supply of any **goods or materials** directly or through appointment of agent, **exceeding 10% or more of the Turnover of the Company;**
("or RS.100 Crore, whichever is lower" is deleted vide this amendment)
- (b) selling or otherwise disposing of, or buying, **property** of any kind directly or through appointment of agent **amounting to 10% or more of net worth** of the Company
("or Rs.100 Crore, whichever is lower" is deleted vide this amendment)
- (c) **leasing of property** of any kind **amounting to 10% or more of the turnover** of the Company
("or 10% or more of Net worth or Rs.100 crore, whichever is lower" is deleted vide this amendment)
- (d) availing or rendering of **any services** directly or through appointment of agent, **amounting to 10% or more of the turnover** of the Company
("or Rs.50 Crore, whichever is lower" is deleted vide this amendment)

To read the notification please click the link below:

http://www.mca.gov.in/Ministry/pdf/Comp2Amndt_18112019.pdf