

## *Obligations of High Value Debt Entities for Related Party Transactions*

*This Update is meant for general information and shall not be deemed to be a legal advice or opinion. This Update is neither intended to be an advertisement or solicitation.*

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A “*high value debt listed entity*” is defined under Regulation 15 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR**”) as an entity which has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crore and above.

SEBI, vide a Circular dated November 22, 2021 ([available here](#)) had mandated certain obligations which were applicable to entities which have listed specified securities, relating to related party transactions (“**RPTs**”), including:

- ❖ Details to be provided to the audit committee for their review, for approval of the RPT;
- ❖ Details to be shared with the shareholders, for consideration of the RPT; and
- ❖ The format for making disclosures of RPTs to the stock exchanges and on the website of the entity, as required under Regulation 23 of the LODR.

Now, vide a Circular dated January 7, 2022 ([available here](#)), SEBI has made the requirements under the aforementioned Circular applicable to high value debt listed entities. Therefore, such entities would now have to ensure that the necessary information regarding proposed RPTs is provided to the audit committee and shareholders.