

A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the following:

Consolidated Turnover of Listed Entity Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

Illustration 1. For listed entities in (II)	
If the annual consolidated turnover of a listed entity is ₹30,000 Crore	₹2,000 Crore + 5% of the remaining ₹10,000 Crore = ₹2,500 Crore.
Illustration 2. For listed entities in (III)	
If the annual consolidated turnover of a listed entity is ₹50,000 Crore	₹3,000 Crore + 2.5% of the remaining ₹10,000 Crore = ₹3,250 Crore.
Illustration 3. For listed entities in (III)	
If the annual consolidated turnover of a listed entity is ₹1,50,000 Crore	₹3,000 Crore + 2.5% of the remaining ₹1,10,000 Crore = ₹5,750 Crore. However, threshold for material related party transaction would be ₹5,000 Crore as it is lower than ₹5,750 Crore.