



**RELATED PARTY TRANSACTION POLICY**

**Version No. 10.0**

**2026-27**

**BALANCE SHEET AND CENTRAL ACCOUNTS SECTION**

**FINANCIAL MANAGEMENT WING**

**HEAD OFFICE**

**112, J C ROAD**

**BENGALURU – 560 002**

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## 1. Preface

The Board of Directors (**the “Board”**) of Canara Bank has adopted the following policy and procedures with regard to Related Party Transactions as defined below in accordance with SEBI Notification on Listing Obligations and Disclosure Requirements) Regulations, 2015, as part of corporate governance norms. Bank shall comply Regulation 23 on Related Party Transactions to the extent it doesn't violate bank's respective statutes and guidelines or directives issued by regulatory authorities as the Bank is not a Company, but body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and is regulated by Reserve Bank of India. The policy shall be subject to review/ratification in accordance with the procedure set forth below in order to ensure the transparency and procedural fairness of such transactions. The Board has decided that the Audit Committee of the Board will review/ratify and may amend this policy from time to time.

## 2. Legal Framework

In terms of Security Exchange Board of India (SEBI) circular No. SEBI/ LAD-NRO/ GN/2015-16/ 013 dated 02 September 2015, it is mandatory for the listed entities to formulate a policy on materiality of related party transactions and also on dealing with Related Party Transactions *including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.*

Further, SEBI vide its Master circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023 on compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 advised the listed entities to make RPT disclosures every six months in the specified format given therein.

However, in case of Public Sector Banks (being Listed Entities), Related Party Transactions are governed by the Reserve Bank of India, vide its –

- ✓ Circular No. DBOD.No.BP.BC.89/21.04.018/2002-03, dated 29.03.2003 on Guidelines on Compliance with Accounting Standards(AS) by Banks;
- ✓ Master Direction No. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 August 30, 2021 (Updated as on April 01, 2024) on Master Direction on Financial Statements - Presentation and Disclosures.

## 3. Objective

The policy has been framed as per the requirements of the Listing Regulations entered into by the Bank with the Stock Exchanges effective from 1<sup>st</sup> December 2015 and intended to ensure

proper approval and reporting of transactions between the Bank and its Related Parties. Such transactions shall be appropriate only if they are in the best interest of the Bank and its shareholders.

#### **4. Scope of Application**

The policy shall be applicable to the transactions made with;

- a) Board of Directors and their relatives;
- b) Key management Personnel (KMP) of the Bank and their relatives; and
- c) Related parties, as defined hereinafter.

#### **5. Definitions**

**5.1 “Arm’s length transaction”** “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.

**5.2 “Associate company”**, means a company in which the Bank has a significant influence, but which is not a subsidiary company of the Bank and includes a joint venture company. Explanation— “significant influence” means control of at least twenty percent of total share capital, or of business decisions under an agreement;

**5.3 “Audit Committee of the Board (ACB)”** means Committee of Board constituted by the Board of Directors as per the guidelines of the Reserve Bank of India (RBI) and the Government of India (GOI). The ACB provides direction as well as overseeing the operation of the total audit function of the Bank, which includes the organization, operationalization and quality control of internal audit and inspection within the Bank and follow up on the statutory/external audit of the Bank.

**5.4 “Board”** means Board of Directors of the Bank in terms of Section 9 (3) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

**5.5 “Control”** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders’ agreements or voting agreements or in any other manner;

**5.6 “Joint Venture”** means a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control.

**5.7 “Key Managerial Personnel (KMP)”** shall mean the following whole time key management personnel of the Bank:

- (i) Chairman and Managing Director / Managing Director and Chief Executive Officer (CEO);

- (ii) Executive Director;
- (iii) Chief Finance Officer (CFO)/Group Chief Finance Officer (GCFO); and
- (iv) Company Secretary / Board Secretary;

**5.8 “Listing Agreement”** shall mean the listing agreement for equity executed by the Bank with Bombay Stock Exchange (BSE) Limited and National Stock Exchange of India (NSE) Limited, as per the SEBI (LODR) regulations 2015, where the equity share of the Bank is listed.

**5.9 “Material Related Party Transaction”** means 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
<b>(I) Up to Rs.20,000 Crore</b>	<b>10% of the annual consolidated turnover of the listed entity</b>
<b>(II) More than Rs. 20,000 Crore to up to Rs. 40,000 Crore</b>	<b>Rs.2,000 Crore + 5% of the annual consolidated turnover of the listed entity above Rs.20,000 Crore</b>
<b>(III) More than Rs.40,000 Crore</b>	<b>Rs.3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above Rs.40,000 Crore OR Rs.5,000 Crores, whichever is lower.</b>

**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.

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

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed

five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

**Material Modification in RPTs**

**“Material Modification”** shall mean any modification made in terms and conditions of any ongoing or proposed RPT, as originally approved by the Audit Committee and/or shareholders, where the terms of the contract cease to be at **“Arm’s Length”** (as defined in point 5.1).

Provided further that the following shall not be considered as material modification;

- (i) In case of deposits placed by related party with the Bank,
- (ii) Modifications which may be mandated pursuant to change in law,
- (iii) Modifications resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g., merger, amalgamation, demerger, etc.)

All material modifications in RPTs shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

**5.10 “Office or place of profit”, “Office or place of profit”** means any office or place—

- (i) Where such office or place is held by a Key Managerial Personnel (KMP), and receives from the Bank anything by way of remuneration over and above the remuneration to which he is entitled as KMP, by way of salary, fee, incentives, perquisites, any rent-free accommodation, or otherwise as may be fixed by the Central Government from time to time;
- (ii) where such office or place is held by an individual other than KMP or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Bank anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

**5.11 “Policy”** means Related Party Transaction Policy.

**5.12 “Reserve Bank of India”** shall mean Reserve Bank of India as constituted under the Reserve Bank of India Act, 1934

**5.13 Related Party”** shall include:

- i. a director or his relative;
- ii. key managerial personnel or his relative;
- iii. a firm, in which a director of the Bank or his relative is a partner;
- iv. a private company in which a director of the Bank is a member or director;
- v. a public company in which a director of the Bank is a director or 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 of the Bank;

- vii. any person under whose advice, directions or instructions a director or manager is accustomed to act;
- viii. Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- ix. any company which is –
  - (A) a subsidiary or an associate company of the Bank; or
  - (B) a subsidiary of a Company which is also a subsidiary of the Bank;

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or Operating decisions.

“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 of ten per cent or more

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:”

**5.14 “Relative”** means a person defined under Section 2(77) of Companies Act, 2013 and shall include:

- i. Members of a Hindu Undivided Family;
- ii. Spouse;
- iii. Father (including step-father);
- iv. Mother (including step-mother);
- v. Son (including step-son);
- vi. Son’s wife;
- vii. Daughter;
- viii. Daughter’s husband;
- ix. Brother (including step-brother);
- x. Sister (including step-sister).

**5.15 “Related Party Transaction”** would mean 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.

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.
- d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:**  
**Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.**
- e) retail purchases from any listed entity or its subsidiary by the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.**

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

**5.16 “Subsidiary”** means a company in which the Bank:

- a) controls the composition of the Board of Directors; or
- b) exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies

For the purpose of this clause a subsidiary shall be considered as material if the subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

## **6. Policy**

All Related Party Transactions (including material related party transactions) shall require prior approval of the Audit Committee of the Board in terms of Regulation 23 of the Listing Regulations.

Provided further that:

- a) the audit committee of a listed entity shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;
- b) **a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction, exceeds the lower of the following:**
  - i. **ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or**
  - ii. **the threshold for material related party transactions of listed entity as specified in point 5.9 of this policy.**
- c) **In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:**
  - i. **ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or**
  - ii. **the threshold for material related party transactions of listed entity as specified in point 5.9 of this policy:**  
**Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee."**
- d) prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of SEBI (LODR) Regulations, 2015 are applicable to such listed subsidiary.  
Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the listed subsidiary shall suffice.
- e) all material related party transactions and material modifications in RPTs shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- f) remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, does not exceed the threshold for material related party transactions of listed entity as specified in 5.9 of this policy.
- g) The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in

the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions.

- i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
  - ii. **the transaction is not material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, does not exceed the threshold for material related party transactions of listed entity as specified in point 5.9 of this policy.**
  - iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
  - iv. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of Regulation 23 of SEBI (LODR) Regulations, 2015, i.e along with the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time.
- h) **The members of the Audit Committee will be provided with the information as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”, while placing any proposal for review and approval of an RPT, provided that:**
- i. **If a transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crores, whichever is lower, the listed entity shall provide ‘Minimum information to the Audit Committee for approval of Related Party Transactions’ specified in Annexure-4.**
  - ii. **If a transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) does not exceed Rupees One Crore, the above requirement shall not be applicable.**
  - iii. **For transactions other than mentioned in point (i) and (ii), the listed entity shall provide ‘Minimum information to the Audit Committee for approval of Related Party Transactions’ specified in Annexure-5.**
- i) **The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the Industry Standards on “Minimum information to be provided to the Shareholders for approval of Related Party Transactions, provided that:**
- i. **If a transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crores, whichever is lower, the listed entity shall provide ‘Minimum information to be provided to the Shareholders for approval of Material Related Party Transactions’ specified in Annexure-6.**

- ii. **If a transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) does not exceed Rupees One Crore, the above requirement shall not be applicable.**
- iii. **For transactions other than mentioned in point (i) and (ii), the listed entity shall provide 'Minimum information to the Audit Committee for approval of Related Party Transactions' specified in Annexure-7.**

However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- 6.1. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Bank and such approval shall be applicable in respect of transactions which are repetitive in nature.
- 6.2. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- 6.3. Such omnibus approval shall specify
  - The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
  - The indicative base price/current contracted price and the formula for variation in the price if any; and
  - Such other conditions as the Audit Committee may deem fit;  
Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available. Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- 6.4. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- 6.5. The following transactions shall be covered under omnibus approval entered by the Bank with its Subsidiaries, Joint Ventures, Associates and other related parties subject to at an arm's length basis (as defined in point 5.1) / in the ordinary course of business. The omnibus approval for these transactions shall be considered as approved by Audit Committee. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Sr. No.	Nature / Category of Transactions with Related Parties	Period of Transactions / Contract / Arrangements	Maximum Cumulative value of transactions
1.	Placement of Deposits	Any period	Any Value

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2.	Payment of Interest on Deposits	Any number of times / no limit	Any Value
3.	Loans and Advances including non-fund commitments: A. Housing Loan (Individual)	Upto 30 years	Upto Rs. 10 Crores
	B. Other Loans	Any period	Any Value
4.	Rendering of Services under regulated transactions for which rates or charges are fixed	Any number of times	Any value
5.	Other services, Saving and Current Account services, receipt of fees / brokerage / commissions.	Any number of times	Any value

Provided that the above transactions shall not be a Material Related Party Transaction i.e., Transaction exceeding the thresholds specified in point 5.9 of this policy.

**Provided further that, shareholders may grant omnibus approval for material transactions defined in the above table which are exceeding threshold for material related party transactions of listed entity as specified under point 5.9 of this policy.**

**Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:**

**Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.**

An Office Note shall be placed before Audit Committee of the Board on quarterly basis by Associates, Subsidiaries & RRB Vertical (for domestic Associates/ Subsidiaries/ Joint Ventures), International Operations Vertical (for international Associates/ Subsidiaries/ Joint Ventures) and Secretarial Department (for all other related parties as defined in Point 5.13 of the Policy such as Directors, Relatives of Directors, Key management Personnel and relatives of Key Management Personnel etc.) covering the related party transactions entered into by the bank pursuant to such omnibus approvals. The above stated transactions may be modified/ added/ deleted as may be determined by the Audit Committee of the Board, from time to time.

6.6. All related party transactions will be subject to the Intra-Group Transactions and Exposures ceiling norms fixed by RBI/Board.

## **7. Details required for ascertaining related party**

The following details shall be required for ascertaining the related party:

- 1) Declaration/Disclosure of interest by all the Directors and KMPs in the prescribed form (Annexure 2)
- 2) Declarations of relatives by all Directors and KMPs in the prescribed form (Annexure 2)
- 3) Declaration about a Firm in which a Director or his relative is a partner (Annexure 2)
- 4) Declaration about a private company in which a Director is a member or Director (Annexure 2)
- 5) Declaration regarding a public company in which a Director is a Director and holds along with the relatives more than 2% of the paid up share capital (Annexure 2)
- 6) Notice from Directors of any change in particulars of Directorship or in other positions during the year. (Annexure 2)
- 7) Details of any corporate whose Board of Directors, Managing director or managers is accustomed to act in accordance with the advice, directions or instructions of a director of the Bank. (Annexure 2)
- 8) Details of any person on whose advice, directions or instructions a director is accustomed to act. (Annexure 2)
- 9) Provided that nothing in point no 7 & 8 shall apply to the advice, directions or instructions given in a professional capacity.
- 10) Details of any Company which is
  - A holding, subsidiary or an associate company of such company; or
  - A subsidiary of a holding company to which it is also a subsidiary.

## **8. Types of Transactions covered**

Under SEBI Listing Regulations, following shall also be covered:

- ✓ Transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged.

Further, a transaction with a related party shall be construed to include single transaction or a group of transactions in a contract.

Under Accounting Standard 18, all transactions involving transfer of resources or obligations between related parties, regardless of whether or not a price is charged shall be covered. To name a few:

- 1) Purchases or sales of goods (finished or unfinished);
- 2) Purchases or sales of fixed assets;
- 3) Rendering or receiving of services;
- 4) Agency arrangements;
- 5) Leasing or hire purchase arrangements;
- 6) Transfer of research and development;
- 7) License agreements;
- 8) Finance (including loans and equity contributions in cash or in kind);
- 9) Guarantees and Collaterals; and
- 10) Management contracts including for deputation of employees.

Pursuant to RBI Guidelines on Disclosure in Financial Statements - Notes to Accounts (Accounting Standard 18), the following transactions between related parties will be covered such as:

- i) Borrowings
- ii) Deposit
- iii) Placement of deposits
- iv) Advances
- v) Investments
- vi) Non-funded commitments
- vii) Leasing/HP arrangements availed
- viii) Leasing/HP arrangements provided
- ix) Purchase of fixed assets
- x) Sale of fixed assets
- xi) Interest paid
- xii) Interest received
- xiii) Rendering of services
- xiv) Receiving of services
- xv) Management contracts

## **9. Identification of potential Related Party Transactions**

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or the Audit Committee, any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/ Audit Committee may reasonably request. The Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The notice of any such potential Related Party Transaction should be given to the Board/Audit Committee well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

## **10. Material Related Party Transaction**

All related Party Transactions should require prior approval of Audit Committee except those transactions exempted by the Audit Committee through omnibus specific approval.

**All material related party transactions exceeding threshold for material related party transactions of listed entity as specified in point 5.9 of this policy** and material modifications shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Provided that the requirements specified under this sub-regulation shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

**Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:**

**Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.**

Provided that above provisions read with Point No 6 shall not be applicable in the following:

1. Transactions entered into between two public sector companies;
2. Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
3. Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
4. **Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.**
5. **Transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.**

***Explanation:*** For the removal of doubts, it is clarified that the term 'holding company' used in clause 2 of this para refers to and shall be deemed to have always referred to a listed holding company.

## **11. Review and Approval of Related Party Transactions**

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Approval of the related party transactions from the Committee shall be obtained by Associates, Subsidiaries & RRB Vertical (for domestic Associates/ Subsidiaries/ Joint Ventures), International Operations Vertical (for international Associates/ Subsidiaries/ Joint Ventures) and Secretarial Department (for all other related parties as defined in Point 5.13 of the Policy such as Directors, Relatives of Directors, Key management Personnel and relatives of Key Management Personnel etc.). Any member of the Committee who has a potential interest in any Related Party Transaction will reclude himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Bank and to the Related Party, and any other relevant matters. 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:

- ❖ Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Bank and would apply on the same basis if the transaction did not involve a Related Party;
- ❖ Whether there are any compelling business reasons for the Bank to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- ❖ Whether the Related Party Transaction would affect the independence of an independent director;
- ❖ Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- ❖ Whether the Bank was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Bank; and
- ❖ Whether the Related Party Transaction would present an improper conflict of interest for any Key Managerial Personnel of the Bank, taking into account the size of the transaction, the overall financial position of the Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under

any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

**The members of the Audit Committee will be provided with the information as specified in the Industry Standards on "Minimum information to be provided to the Audit Committee for approval of Related Party Transactions", while placing any proposal for review and approval of an RPT, as mentioned in point 6(h) of this policy.**

**The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the Industry Standards on "Minimum information to be provided to the Shareholders for approval of Related Party Transactions, as mentioned in point 6(i) of this policy.**

Provided that, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- a. Any transaction that involves providing of compensation to a Key Managerial Personnel in connection with his or her duties to the Bank or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- b. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Bank and all holders of such securities receive the same benefits pro rata as the Related Party.

Notwithstanding the foregoing, if the related party transactions entered by KMP or their relatives individually or together with other transactions during a quarter exceeds 1 Crore, the same shall be placed before the Board of Directors of the Bank.

## **12. Related Party Transactions without the prior approval under this Policy**

In the event the Bank becomes aware 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 and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Bank, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

In connection with any review of a Related Party Transaction, the Audit Committee has the final authority to modify or waive any procedural requirements of this Policy.

### **13. Disclosure**

13.1 Necessary disclosures shall be made in the Annual Financial Statements as required under AS 18 and RBI guidelines (Annexure 1). Further, as required under the Listing Agreement, necessary details of all materially significant related party transactions which may have potential conflict with the interests of the Bank at large, shall also be also given in Report on Corporate Governance section in Annual Report.

13.2 Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on Corporate Governance.

13.3 The listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website:

Provided that a 'high value debt listed entity' shall submit such disclosures along with its standalone financial results for the half year:

Provided further that the listed entity shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results:

However, Listed banks shall not be required to provide the disclosures with respect to related party transactions involving loans, inter-corporate deposits, advances or investments made or given by the listed banks.

13.4 The Bank shall disclose the policy on dealing with related party transactions on its website and a web link thereto shall be provided in the Annual Report.

13.5 FM Wing shall ensure compliance of all disclosures to be made under disclosure norms stipulated by RBI/Accounting standards.

13.6 Company Secretarial Department shall ensure compliance of all disclosures to be made under the disclosure norms stipulated by SEBI/Stock Exchanges/Companies Act and also under Corporate Governance requirements as per Corporate Governance Policy.

### **14. Records relating to Related Party/Supporting documents**

All disclosures, supporting documents shall be preserved for a period of eight years from the end of the financial year to which it relates and shall be kept in the custody of the respective wing placing the note or any other person authorized by the Board for the purpose.

Agreement or other supporting documents along with proper justification of the transaction being on arm's length basis in the ordinary course of business at a prevailing market rate shall also be preserved for a period of 8 years from the end of the financial year to which it relates and shall be kept in the custody of the respective wing placing the note or any other person authorized by the Board for the Purpose.

## **15. Interpretation**

In any circumstances where the terms of these policies and procedures differ from any existing or newly enacted law, rule, regulation or standard governing the Bank, the law, rule, regulation or standard will take precedence over these policies and procedure until such time as these policies and procedures are changed to confirm to the law, rule, regulation or standard.

Any additional requirement mandated as per the guidelines of the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) or Ministry of Finance that are communicated subsequent to the adoption of the policy shall automatically form part and parcel of the Policy and the Bank shall have to comply with all such additional requirements.

## **16. Secrecy Provisions**

In terms of paragraph 5 of Accounting Standard 18, the disclosure requirements do not apply in circumstances when providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically required in terms of statute, by regulator or similar competent authority. In terms of Paragraph 6 of Accounting Standard 18, in case a statute or the RBI or SEBI prohibits the Banks from disclosing certain information which is required to be disclosed, non-disclosure of such information would not be deemed as non-compliance with the requirements of Accounting Standard 18. It is clear from the above that on account of the judicially recognized common law duty of the banks to maintain the confidentiality of the customer details, they need not make such disclosures. In view of the above, where the disclosures under the Accounting Standards are not aggregated disclosures in respect of any category of related party i.e., where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party.

**Annexure 1**

**Format for Related Party Disclosures**

The manner of disclosures required by paragraphs 23 and 26 of AS 18 is illustrated below. It may be noted that the format is merely illustrative and is not exhaustive.

(Amount in INR Crore)

<b>Items / Related Party</b>	<b>Parent (as per ownership or control)</b>	<b>Subsidiaries</b>	<b>Associates/ Joint Ventures</b>	<b>KMP@</b>	<b>Relatives of KMP</b>	<b>Total</b>
Borrowings#						
Deposit#						
Placement of deposits#						
Advances#						
Investments#						
Non funded commitments#						
Leasing arrangements availed#						
Leasing arrangements provided#						
Purchase of fixed assets						
Sale of fixed assets						
Interest paid						
Interest received						
Rendering of services*						

Related Party Transactions Policy FY 2026-27

Items / Related Party	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint Ventures	KMP@	Relatives of KMP	Total
Receiving of services*						
Management contracts*						

**Note:** Where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party

\* Contract services etc. and not services like remittance facilities, locker facilities etc.

@ Whole time directors of the Board and CEOs of the branches of foreign banks in India.

# The outstanding at the year-end and the maximum during the year are to be disclosed.

**Annexure 2**

**Format of declaration to be given by the Directors/KMP/Related Party & Relatives**

I, \_\_\_\_\_ son/daughter/spouse of \_\_\_\_\_ resident of \_\_\_\_\_ being a Director/Key Management Personnel (KMP)/relative of Director/KMP/related party in the company hereby give notice of my interest of concern in the following company or companies, bodies corporate, firms or other association of individual/transactions:

1	Name of the Companies/Body Corporate/Firms/Association of Individuals	
2	The name of the related party and nature of relationship	
3	The nature, duration of the contract and particulars of the contract or arrangement	
4	Nature of Transactions	
5	Material terms of the contract or arrangement including the value, if any	
6	Any advice paid or received for the contract or arrangement, if any	
7	Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	
8	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	
9	Whether arm's length transaction	
10	Whether as per approved scheme of the Bank	
11	Any Other information relevant or important for the Board to take a decision on the proposed transaction	

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Designation: \_\_\_\_\_

**Format of Information in Related Party Transaction**

**Name of the Related Party, Relationship and Nature of Facilities:**

SI No.	Name of the Related Party	Nature of Relationship (Eg. Directors/ KMP/ Relatives of KMP)	Nature of Facilities (Eg. Deposit/ Advances/ Other facilities)

**Nature of transaction:**

**A) Transaction of routine and repetitive in nature:**

Nature of Transactions (Eg. Deposits / Advances / Other Services /Contracts)	Balance Outstanding as on the Reporting date(In lakhs)	Rate of Interest Charged/Provided	Applicable ROI for the similar type of transactions
Advances			
Deposits			
Other Services/Contracts			
Whether Staff rate and whether eligible			
Special concession, if any			
Whether at arm's length			

**B) Transaction not covered under (A) and up to a monetary limit of Rs 1 Crore per transaction**

Nature of Transactions	Volume of transactions during the reporting period. (In lakhs)
Special concession, if any	
Whether at arm's length	

**C) Material Transactions**

Nature of Transactions	Volume of transactions during the reporting period. (In lakhs)
Special concession, if any	
Whether at arm's length	

\*\*e.g. Lockers, lease agreements, service contracts etc.

I/We hereby confirm that the transactions entered into by me/us/my relatives with the bank were at arm's length and no special benefits have accrued to me/us/relatives.

I/we also confirm that all transactions which are in the purview of the related party transaction have been reported by me.

(Signature/Authorized signatory)

**Format for disclosure of related party transactions every six months**

**Annexure 3**

As per SEBI circular no: SEBI/HO/CFD/PoD2/CIR/P/2024/185 dated: December 31, 2024 on compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the listed entity shall make RPT disclosures every six months in the format provided below:

														Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.				
S. No	Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty			Type of related party transaction (see Note 5)	Value of the related party transaction as approved by the audit committee (see Note 6a)	Value of transaction ratified by the audit committee (see Note 6b)	Value of transaction during the reporting period (see Note 6c)	In case monies are due to either party as a result of the transaction (see Note 1)		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments			
	Name	PAN	Name	PAN	Relationship of the counterparty with the listed entity or its subsidiary					Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost (see Note 7)	Tenure	Nature (loan/ advance / inter-corporate deposit / investment)	Interest Rate (%)	Tenure	Secured/unsecured
Total (of Note 6b)																		

Notes:

1. The details in this format are required to be provided for all transactions undertaken during the reporting period. However, opening and closing balances, including commitments, to be disclosed for existing related party transactions even if there is no new related party transaction during the reporting period.
2. Where a transaction is undertaken between members of the consolidated entity (between the listed entity and its subsidiary or between subsidiaries), it may be reported once.
3. Listed banks shall not be required to provide the disclosures with respect to related party transactions involving loans, inter-corporate deposits, advances or investments made or given by the listed banks.
4. For companies with financial year ending March 31, this information has to be provided for six months ended September 30 and six months ended March 31. Companies with financial years ending in other months, the six months period shall apply accordingly.
5. Each type of related party transaction (for e.g., sale of goods/services, purchase of goods/services or whether it involves a loan, inter-corporate deposit, advance or investment) with a single party shall be disclosed separately and there should be no clubbing or netting of transactions of same type. However, transactions with the same counterparty of the same type may be aggregated for the reporting period. For instance, sale transactions with the same party may be aggregated for the reporting period and purchase transactions may also be disclosed in a similar manner. There should be no netting off for sale and purchase transactions. Similarly, loans advanced to and received from the same counterparty should be disclosed separately, without any netting off.
6. In case of a multi-year related party transaction:
  - a. The aggregate value of such related party transaction as approved by the audit committee shall be disclosed in the column "Value of the related party transaction as approved by the audit committee".
  - b. The value of the related party transaction ratified by the audit committee shall be disclosed in the column "Value of the related party transaction ratified by the audit committee".
  - c. The value of the related party transaction undertaken in the reporting period shall be reported in the column "Value of related party transaction during the reporting period".
7. "Cost" refers to the cost of borrowed funds for the listed entity.
8. PAN will not be displayed on the website of the Stock Exchange(s).
9. Transactions such as acceptance of fixed deposits by banks/NBFCs, undertaken with related parties, at the terms uniformly applicable /offered to all shareholders/ public shall also be reported.

**Minimum information to the Audit Committee for approval of Related Party Transactions:**

The listed entity shall provide the following information, for review by the audit committee for approval of a proposed RPT:

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the listed entity 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 listed entity'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 listed entity or its subsidiary:
  - i. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - ii. 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 listed entity;
- 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.

**Annexure 5**

**Minimum Information to be provided to the Audit Committee for approval (including ratification) of RPTs.**

**PART A**

**Minimum information of the proposed RPT, applicable to all RPTs**

**Note:** This part requires disclosure in sub-para(s) (A1 to A5) under the following headings in case of all Related Party Transaction(s):

**A(1):**

**Basic details of the related party**

S. No.	Particulars of the information	Information provided by the management
1.	Name of the related party	
2.	Country of incorporation of the related party	
3.	Nature of business of the related party	

**A(2).**

**Relationship and ownership of the related party**

S. No.	Particulars of the information	Information provided by the management
1.	<p>Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:</p> <ul style="list-style-type: none"> <li>• Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.</li> <li>• Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).</li> <li>• Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).</li> </ul> <p><b>Explanation:</b> Indirect shareholding shall mean shareholding held through any person, over which the listed entity/Subsidiary/ related party has control.</p> <p>While calculating indirect shareholding, shareholding held by relatives</p>	

	<i>shall also be considered.</i>	
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**A(3)**

**Details of previous transactions with the related party**

S. No.	Particulars of the information	Information provided by the management									
1.	<p>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="width: 10%;">S. No.</th> <th style="width: 30%;">Nature of Transactions</th> <th style="width: 60%;">FY 20xx-20xx (INR)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p><b>Explanation:</b> Details need to be disclosed separately for listed entity and its subsidiary.</p>	S. No.	Nature of Transactions	FY 20xx-20xx (INR)							
S. No.	Nature of Transactions	FY 20xx-20xx (INR)									
2.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.										
3.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.										

**A(4)**

**Amount of the proposed transaction(s)**

S. No.	Particulars of the information	Information provided by the management
1.	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes or No?
3.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	%

4.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	%								
5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	%								
6.	<p>Financial performance of the related party for the immediately preceding financial year:</p> <table border="1" data-bbox="300 689 1034 972"> <thead> <tr> <th data-bbox="300 689 703 819">Particulars</th> <th data-bbox="703 689 1034 819">FY 20xx- 20xx (INR)</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 819 703 869">Turnover</td> <td data-bbox="703 819 1034 869"></td> </tr> <tr> <td data-bbox="300 869 703 918">Profit After Tax</td> <td data-bbox="703 869 1034 918"></td> </tr> <tr> <td data-bbox="300 918 703 972">Net worth</td> <td data-bbox="703 918 1034 972"></td> </tr> </tbody> </table> <p><b>Explanations:</b> The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.</p>	Particulars	FY 20xx- 20xx (INR)	Turnover		Profit After Tax		Net worth		
Particulars	FY 20xx- 20xx (INR)									
Turnover										
Profit After Tax										
Net worth										

**A(5).**

**Basic details of the proposed transaction**

S. No.	Particulars of the information	Information provided by the management
1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	
2.	Details of each type of the proposed transaction	
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	
4.	Whether omnibus approval is being sought?	Yes or No
5.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	
6.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	

7.	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.  <i>Explanation:</i> Indirect interest shall mean interest held through any person over which an individual has control.	
	a. Name of the director / KMP	
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	
9.	Other information relevant for decision making.	

**PART B**

**Information to be provided only if a specific type of RPT as mentioned below is proposed to be undertaken and is in addition to the above**

**B(1)**

**Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances**

S. No.	Particulars of the information	Information provided by the management
1.	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	
2.	Basis of determination of price.	
3.	In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice) , if any, proposed to be extended to the related party in relation to the transaction, specify the following:	
	a. Amount of Trade advance	
	b. Tenure	
	c. Whether same is self-liquidating?	

**B(2)**

**Disclosure only in case of transactions relating to loans and advances (other than trade advances) or inter-corporate deposits given by the listed entity or its subsidiary**

S. No.	Particulars of the information	Information provided by the management
--------	--------------------------------	--

1.	<p>Source of funds in connection with the proposed transaction.</p> <p><i>Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/housing finance companies.</i></p>	
2.	<p>Where any financial indebtedness is incurred to give loan, inter-corporate deposit or advance, specify the following:</p> <p><i>Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.</i></p>	
	a. Nature of indebtedness	
	b. Total cost of borrowing	
	c. Tenure	
	d. Other details	
3.	<p>Rate of interest at which the listed entity or its subsidiary is borrowing from its bankers/ other lenders.</p> <p><i>Note:</i></p> <p><i>(1) This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.</i></p> <p><i>(2) Disclosure shall be made of borrowings undertaken by the listed entity with a comparable maturity profile to the loan/ICD being granted by the listed entity.</i></p>	
4.	Proposed interest rate to be charged by listed entity or its subsidiary from the related party.	
5.	Maturity / due date	
6.	Repayment schedule & terms	
7.	Whether secured or unsecured?	
8.	If secured, the nature of security & security coverage ratio	
9.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the transaction.	

**B(3)**

**Disclosure only in case of transactions relating to investment made by the listed entity or its subsidiary**

S. No.	Particulars of the information	Information provided by the management
--------	--------------------------------	--

1.	Source of funds in connection with the proposed transaction.  <i>Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.</i>	
2.	Where any financial indebtedness is incurred to make investment, specify the following:  <i>Note: This item of disclosure is not applicable to listed banks/ NBFCs /insurance companies/housing finance companies.</i>	
	a. Nature of indebtedness	
	b. Total cost of borrowing	
	c. Tenure	
	d. Other details	
3.	Purpose for which funds shall be utilized by the investee company.	
4.	Material terms of the proposed transaction	

**B(4)**

**Disclosure only in case of guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee ), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary.**

S. No.	Particulars of the information	Information provided by the management
1.	(a) Rationale for giving guarantee, surety, indemnity or comfort letter	
	(b) Whether it will create a legally binding obligation on listed entity?	Yes or No
2.	Material covenants of the proposed transaction including: (i) commission, if any to be received by the listed entity or its subsidiary; (ii) contractual provisions on how the listed entity or its subsidiary will recover the monies in case such guarantee, surety, indemnity or comfort letter is invoked.	

<b>3.</b>	<p>The value of obligations undertaken by the listed entity or any of its subsidiary, for which a guarantee, surety, indemnity or comfort letter has been provided by the listed entity or its subsidiary.</p> <p>Additionally, any provisions required to be made in the books of account of the listed entity or any of its subsidiary shall also be specified.</p>	
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**B(5)**

**Disclosure *only* in case of transactions relating to borrowings by the listed entity or its subsidiary**

S. No.	Particulars of the information	Information provided by the management
1.	Material covenants of the proposed transaction	
2.	Interest rate ( <i>in terms of numerical value or base rate and applicable spread</i> )	
3.	Cost of borrowing  <i>Note: This shall include all costs associated with the borrowing</i>	
4.	Maturity / due date	
5.	Repayment schedule & terms	
6.	Whether secured or unsecured	
7.	If secured, the nature of security & security coverage ratio	
8.	The purpose for which the funds will be utilized by the listed entity / subsidiary	

**B(6)**

**Disclosure *only* in case of transactions relating to transactions relating to sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate**

S. No.	Particulars of the information	Information provided by the management
1.	Bidding or other process, if any, applied for choosing a party for sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity.	
2.	Basis of determination of price.	

3.	Reasons for sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate.			
4.	Financial track record of the subsidiary / undertaking that is being sold (in case of sale of undertaking, segment level data to be provided) during the last three financial years:			
		<b>FY 20xx-20xx (INR)</b>	<b>FY 20xx-20xx (INR)</b>	<b>FY 20xx-20xx (INR)</b>
<b>Turnover</b>				
<b>Net worth</b>				
<b>Net Profit</b>				
5.	Expected financial impact on the consolidated turnover, net worth and net profits of the listed entity or its subsidiary due to sale of the subsidiary / undertaking.			
a. Expected impact on turnover				
b. Expected impact on net worth				
c. Expected impact on net profits				

**B(7)**

**Disclosure only in case of transactions relating to payment of royalty**

S. No.	Particulars of the information	Information provided by the management
1.	Purpose for which royalty is proposed to be paid to the related party in the current financial year.  <i>Note: For companies with a composite license agreement that includes a bundle of intellectual property rights (IPRs) such as brands, patents, technology and know-how, <u>state the key components</u> of such agreements and <u>the reasons</u> royalty attributable to those key components could not be furnished separately.</i>	
a. For use of brand name / trademark		As a % of total royalty proposed to be paid
b. For transfer of technology know-how		As a % of total royalty proposed to be paid
c. For professional fee, corporate management fee or any other fee		As a % of total royalty proposed to be paid

	d. Any other use (specify)	As a % of total royalty proposed to be paid
2.	<p>(a) The listed entity may confirm whether the parent company charges royalty at a uniform rate from all group companies in other jurisdiction.</p> <p>(b) If No, furnish information below.</p> <p>If royalty is paid to the parent company, disclose royalty received by the parent company from group entities in other jurisdiction:</p> <ul style="list-style-type: none"> <li>• Minimum rate of royalty charged along with corresponding absolute amount</li> <li>• Maximum rate of royalty charged along with corresponding absolute amount</li> </ul> <p><i>Note: The disclosure shall be made on a gross basis (Cost to the Company), including taxes paid on behalf of the recipient of royalty.</i></p>	<p>Yes or No?</p> <p>%</p>
3.	Sunset Clause for Royalty payment, if any.	

**PART C**

**Information to be provided only if a specific type of RPT mentioned below proposed to be undertaken is a material RPT and is in addition to Part A and B**

**Note:** This part requires disclosure under sub-para C1 to C6, as may be applicable, in addition to disclosures in Part A and Part B, only in case of material RPTs relating to:

**C(1)**

**Disclosure only in case of transactions relating to any loans and advances (other than trade advances), inter-corporate deposits given by the listed entity or its subsidiary**

S. No.	Particulars of the information	Information provided by the management
1.	<p>Latest credit rating of the related party</p> <p><i>Note: Standalone rating to be provided while option to provide structured obligation rating (SO rating) and credit enhancement rating (CE rating), if any</i></p>	

<b>2.</b>	<p>Default on borrowings, <b><i>if any</i></b>, over the last three financial years, by the related party from the listed entity or any other person and value of subsisting default.</p> <p><i>Note: This information may be provided to the extent it is available in the public domain or as may be provided by the related party upon request.</i></p> <p><b>In addition, state the following:</b></p> <p>a) Whether the account of the related party has been classified as a non-performing asset (NPA) by any of its bankers and whether such status is currently subsisting;</p> <p>b) Whether the related party has been declared a “wilful defaulter” by any of its bankers and whether such status is currently subsisting;</p> <p>c) Whether the related party is undergoing or facing any application for commencement of an insolvency resolution process or liquidation;</p> <p>d) Whether the related party, not being an MSME, suffers from any of the disqualifications specified under Section 29A of the Insolvency and Bankruptcy Code, 2016.</p> <p><i>Note: Past defaults that are no longer subsisting and have been cured or regularized need not be disclosed.</i></p>	
	FY 20xx-20xx	
	FY 20xx-20xx	
	FY 20xx-20xx	

C(2)

**Disclosure only in case of transactions relating to any investment made by the listed entity or its subsidiary**

S. No.	Particulars of the information	Information provided by the management
1.	<p>Latest credit rating of the related party</p> <p><i>Note:</i></p> <p>a. <i>Standalone rating to be provided while option to provide structured obligation rating (SO rating) and credit enhancement rating (CE rating), if any.</i></p> <p>b. <i>This shall be applicable in case of investment in debt securities.</i></p>	

2.	Whether any regulatory approval is required. If yes, whether the same has been obtained.	
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**C(3)**

**Disclosure only in case of transactions relating to any guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary**

S. No.	Particulars of the information	Information provided by the management
1.	<p>If guarantee, performance guarantee (in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter is given in connection with the borrowing by a related party, provide latest credit rating of the related party</p> <p><i>Note:</i></p> <p>a. <i>Standalone rating to be provided while option to provide structured obligation rating (SO rating) and credit enhancement rating (CE rating), if any.</i></p> <p>b. <i>This information may be provided to the extent it is available in the public domain or as may be provided by the related party upon request.</i></p>	
2.	<p>Details of solvency status and going concern status of the related party during the last three financial years:</p> <p><i>FY 20xx-20xx</i></p> <p><i>FY 20xx-20xx</i></p> <p><i>FY 20xx-20xx</i></p>	
3.	<p>The value of obligations undertaken by the listed entity or any of its subsidiary, for which a guarantee, performance guarantee (in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee) surety, indemnity or comfort letter has been provided by the listed entity or its subsidiary. Additionally, any provisions required to be made in the books of account of the listed entity or any of its subsidiary shall also be specified.</p>	
4.	<p>Default on borrowings, <b>if any</b>, over the last three financial years, by the related party from the listed entity or any other person.</p> <p><i>Note: This information may be provided to the extent it is available in the public domain or as may be provided by</i></p>	

	<p><i>the related party upon request.</i></p> <p><b>In addition, state the following:</b></p> <p>a) Whether the account of the related party has been classified as a non-performing asset (NPA) by any of its bankers and whether such status is currently subsisting;</p> <p>b) Whether the related party has been declared a “wilful defaulter” by any of its bankers and whether such status is currently subsisting;</p> <p>c) Whether the related party is undergoing or facing any application for commencement of an insolvency resolution process or liquidation;</p> <p>d) Whether the related party, not being an MSME, suffers from any of the disqualifications specified under Section 29A of the Insolvency and Bankruptcy Code, 2016.</p> <p><i>Note: Past defaults that are no longer subsisting and have been cured or regularized need not be disclosed.</i></p>	
	FY 20xx-20xx	
	FY 20xx-20xx	
	FY 20xx-20xx	

**C(4)**

**Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary**

S. No.	Particulars of the information	Information provided by the management
1.	<p>Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements</p> <p><i>Note: This shall not be applicable to listed banks/NBFC/insurance companies/housing finance companies.</i></p> <p>a. Before transaction</p> <p>b. After transaction</p>	
2.	<p>Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements</p> <p><i>Note: This shall not be applicable to listed banks/NBFC/insurance companies/ housing finance</i></p>	

	<i>companies.</i>	
	a. Before transaction	
	b. After transaction	

**C(5)**

**Disclosure *only* in case of transactions relating to sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate**

<b>S. No.</b>	<b>Particulars of the information</b>	<b>Information provided by the management</b>
1.	Details of earlier sale, lease or disposal of assets of the same subsidiary or of the unit, division or undertaking of the listed entity or disposal of shares of the same subsidiary or associate to any related party during the preceding twelve months.	
2.	Whether the transaction would result in issue of securities or consideration in kind to a related party? If yes, please share the relevant details.	
3.	Would the transaction result in eliminating a segment reporting by the listed entity or any of its subsidiary?	
4.	Does it involve transfer of key intangible assets or key customers which are critical for continued business of the listed entity or any of its subsidiary?	
5.	Are there any other major non-financial reasons for going ahead with the proposed transaction?	

**C(6)**

**Disclosure only in case of transactions relating to payment of royalty**

<b>S. No.</b>	<b>Particulars of the information</b>	<b>Information provided by the management</b>
1.	Gross amount of royalty paid by the listed entity or subsidiary to the related party during each of the last three financial years	
	<i>FY 20xx-20xx</i>	<i>Amount of royalty</i>
	<i>FY 20xx-20xx</i>	<i>Amount of royalty</i>
	<i>FY 20xx-20xx</i>	<i>Amount of royalty</i>

2.	Purpose for which royalty was paid to the related party during the last three financial years.				
	<i>Explanation: For companies with a composite license agreement that includes a bundle of intellectual property rights (IPRs) such as brands, patents, technology and know-how, state the key components of such agreements and the reasons royalty attributable to those key components could not be furnished separately.</i>				
	a. For use of brand name / trademark		<i>As a % of aggregate amount of royalty for the last 3 FYs</i>		
	b. For transfer of technology know-how		<i>As a % of aggregate amount of royalty for the last 3 FYs</i>		
	c. For professional fee, corporate management fee or any other fee		<i>As a % of aggregate amount of royalty for the last 3 FYs</i>		
	d. Any other use (specify)		<i>As a % of aggregate amount of royalty for the last 3 FYs</i>		
3.	Royalty paid in last 3 FYs as % of Net Profits of previous FYs				
		FY 20xx-20xx	%		
		FY 20xx-20xx	%		
		FY 20xx-20xx	%		
4.	Percentage or Rate at which royalty has increased in the past 3 years, if any, vis-à-vis rate at which the turnover and profits after tax have increased during the same period.		%		
5.	<b>Peer Comparison:</b>				
	Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any relevant Industry Peer pays royalties for the same purpose, which is disclosed in its audited annual financial statements for the relevant period:				
		<b>Listed Entity / Subsidiary</b>	<b>Peer 1</b>	<b>Peer 2</b>	<b>Peer 3</b>
	<b>Royalty payment over last 3 years</b>	<i>Aggregate amount</i>	<i>Aggregate amount</i>	<i>Aggregate amount</i>	<i>Aggregate amount</i>
<b>Royalty paid as a % of net profits over the last 3 years</b>	%	%	%	%	

<b>Annual growth rate of Turnover over last 3 years</b>	%	%	%	%
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**Explanation:** *In the case of the payment of, the criteria for comparison with Industry Peers shall be as follows:*

- a. The Listed Entity will compare the royalty payment with a minimum of three suitable and relevant Industry Peers (i.e. apple to apple comparable Industry Peers), where feasible.*
- b. In cases where fewer than three Industry Peers are available, the listed entity will disclose, that only one or two peers are available for comparison.*
- c. If the listed entity is part of any sectoral index, the listed entity is to consider the other constituents of such sectoral index for the purpose of peer comparison which are in similar line of business.*
- d. In case there are no Industry Peers, the Listed Entity shall state that no Industry Peers are available for comparison.*

**Minimum information to the Shareholders for approval of Related Party Transactions:**

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 listed entity to the audit committee as specified in Annexure 4;
- b. Justification for why the proposed transaction is in the interest of the listed entity;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under para (f) of Annexure 4.
- d. A statement that the valuation or other external report, if any, relied upon by the listed entity 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.

**Annexure 7**

**Minimum information to the Shareholders for approval of material Related Party Transactions:**

(1) The explanatory statement contained in the notice to the shareholders for seeking their approval for an RPT shall provide the minimum information so as to enable the shareholders to take a view whether the terms and conditions of the RPT are favorable to the listed entity.

(2) The notice to the shareholders seeking approval for any material RPT shall include the following information as a part of the explanatory statement:

- (a) Information as placed before the Audit Committee in the format as specified in the RPT Industry Standards, to the extent applicable.
- (b) Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT.
- (c) Disclose the fact that the Audit Committee has reviewed the certificates provided by the CEO/ Managing Director/ Whole Time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards.
- (d) Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.
- (e) Provide web-link and QR Code, through which shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.
- (f) The Audit Committee and Board of Directors, while providing information to the shareholders, can approve redaction of commercial secrets and such other information that would affect competitive position of listed entity and affirm that, in its assessment, the redacted disclosures still provide all the necessary information to the public shareholders for informed decision making.
- (g) Any other information that may be relevant.

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