

**POLICY ON MATERIALITY OF RELATED PARTY
TRANSACTIONS AND FOR DEALING WITH RELATED
PARTY TRANSACTIONS AND POLICY FOR
DETERMINING MATERIAL SUBSIDIARY**

OF

THE KARNATAKA BANK LIMITED

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FINANCE AND ACCOUNTS DEPARTMENT

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND FOR DEALING WITH RELATED PARTY TRANSACTIONS AND POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. Preamble

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that listed entity (Bank) shall formulate a policy on materiality of related party transactions and on dealing with Related Party Transactions, including clear threshold limits, duly approved by the Board of Directors. *This policy may be reviewed by the Board on an annual basis or at such earlier interval as may be deemed necessary by the Board having regard to the regulatory changes, prudence and operational requirements.* The Board of Directors of the Bank having considered the recommendations of the Audit Committee of the Board has adopted the following policy and procedure with regard to Related Party Transactions (“RPT”).

2. Objectives

The objective of this policy and procedure is to ensure that transactions between the Bank and its related parties are based on the principles of transparency. Similarly, this policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving Related Parties.

3. Definitions

Related party- an entity shall be considered as related to the Company if-

(1) such entity is a related party under Section 2(76) of the Companies Act, 2013 i.e.,

- i) a director or his relative;
- ii) a key managerial personnel or his relative;
- iii) a firm, in which a director, manager or his relative is a partner;
- iv) a private company in which a director or manager or his relative is a member or director;
- v) a public company in which a director or manager is a director and 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 or manager (except advice, directions or instructions provided in professional capacity)
- vii) any person on whose advice, directions or instructions a director or manager is accustomed to act (except advice, directions or instructions provided in professional capacity);
- viii) any body corporate which is–
 - (A) a holding, subsidiary or an associate company of such company; or
 - (B) a subsidiary of a holding company to which it is also a subsidiary; or
 - (C) an investing company or the venturer of a company;
- ix) such other person as may be prescribed i.e., director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

(2) such entity is a related party under the applicable accounting standards.

(3) Any person or any entity, holding equity shares of ten per cent or more in the Bank 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.

Relative with reference to any person means anyone who is related to another, if –

- (i) they are members of a Hindu Undivided Family
- (ii) they are husband and wife
- (iii) one person is related to the other in such manner as may be prescribed i.e.,
 - (1) Father (including step-father)
 - (2) Mother (including step-mother)
 - (3) Son (including step-son)
 - (4) Son's wife
 - (5) Daughter
 - (6) Daughter's husband
 - (7) Brother (including step-brother)
 - (8) Sister (including step-sister)

Key Managerial Personnel (KMP) in relation to a company means:

- (i) Whole Time Director/s
- (ii) the Company Secretary;
- (iii) the Chief Financial Officer;
such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board;

“Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between :

- (i) the Bank or any of its subsidiaries on one hand and a related party of the Bank or any of its subsidiaries on the other hand; or
- (ii) the Bank 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 Bank or any of its subsidiaries, with effect from April 1, 2023;

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:

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 Bank 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 deposits by banks at the terms uniformly applicable/offered to all shareholders/public or category of depositors, 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 its directors or its employees, without establishing a business relationship.*

The aforesaid definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s);”

The above referred definition shall not be applicable to transaction/s, entered into between the Bank and its wholly owned subsidiary whose accounts are consolidated with the Bank and placed before the shareholders at the general meeting for approval, except for the transactions referred in Section 188 of Companies Act, 2013.

Material RPT is defined as any transaction with a related party that, either individually or taken together with previous transactions during a financial year, exceeds the lower of the following thresholds:

- 2% of the listed entity's annual consolidated turnover (based on the last audited financial statements); or*
- 2% of the net worth (based on the last audited financial statements) – except when the net worth is negative; or*
- 5% of the average of absolute value of profit or loss after tax (calculated from the last three audited financial years).*

Material modification means any variation:

- in the value of the transactions exceeding 10 percent of the value of the transaction/contract or
- in the terms and conditions rendering a transaction/contract becoming a non-arm's length basis transaction/contract.

Investing Company or Venturer of a Company means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

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.

Ordinary Course of Business includes but not limited to transaction(s)/activities that are normal and incidental to the business covering the usual transactions, customs and practices related to the business as a going concern and considered to be at arm's length basis. The classification of a transaction as in the 'ordinary course of business' or otherwise will be based on specific nature and circumstances of transaction/s. Broadly the following factors are

indicative of a transaction being in the ordinary course of business:

- a. The transaction is normal or otherwise unremarkable for the business.
- b. The transaction is frequent/regular.
- c. The transaction is a source of income for the business.
- d. Transactions that are part of the standard industry practice, even though the Bank may not have done it in the past.

Annual Consolidated Turnover is defined as Total Income (i.e. Interest earned plus Other Income) of the last audited Consolidated Financial Statements of the Bank.

4. Identification of Related Party and Related Party Transactions:

To enable proper identification of related parties and related party transactions, the following disclosures shall be made by the Directors:

- (a) At the first meeting of the Board in which he/she participates as a Director and thereafter at the first Board Meeting in every financial year or whenever there is any change in the disclosures already made, disclose the concern or interest in any company/firm/entity in form MBP-1;
- (b) List of Relatives with PAN details/other identifier;
- (c) List of the entities in which the relative is a proprietor/partner/member or director of a private limited company;
- (d) List of public companies in which the director is also a director and holds along with his/her relatives more than two per cent of its paid up share capital.

Further, the Key Managerial Personnel shall make the following disclosures:

- (a) List of relatives and their interest, if any, in any company or firm to be furnished at the beginning of the financial year and shall keep it updated for any subsequent changes.

The format is provided in Annexure 1.

5. Review, ratification and approval of Related Party Transactions:

The approval of RPTs shall be as per the requirements of:

- Regulation 23 of SEBI(LODR) Regulations, 2015
- Section 177 and 188 of Companies Act, 2013
- Rule 15(3) of the Companies (Meetings of the Board and its Powers) Rules, 2014.
- *Industry Standards Note on Regulation 30 of LODR Regulations.*

(1) All Related Party Transactions and subsequent material modifications shall require approval of the Audit Committee of the Bank except for:

- transactions between the Bank and its wholly owned subsidiary, whose accounts are consolidated with the Bank and placed before the shareholders at the general meeting of the Bank for approval ("WOS transaction").
- transactions entered into between two wholly-owned subsidiaries of the Bank, whose accounts are consolidated with the Bank and placed before the shareholders at the general meeting for approval.
- The transactions with related parties other than those mentioned in the Companies Act in respect of whom, credit proposals are being sanctioned by the MCB/Board in terms of clause 2.1.2 of the RBI Master Circular on "Loan & Advances-Statutory and Other Restrictions" dated July 1, 2015.
- 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 in terms of the provisions of sub-regulation (1) of regulation 23 of SEBI (LODR) Regulations.*

Further, only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

(2) Besides, all Related Party Transactions defined in Section 188(1) of Companies Act, 2013, require approval of the Board of Directors by way of a resolution at its meeting.

- (3) If the transactions referred in Sl No. 2 above, exceed the thresholds mentioned in the first proviso to Section 188(1) of Companies Act, 2013 read with Rule 15(3) Companies (Meetings of the Board and its Powers) Rules, 2014, approval of the members of the Bank by way of an ordinary resolution in the General Meeting shall be obtained.
- (4) If the transactions mentioned in (2) and (3) above are entered into in the ordinary course of business of the Bank (or in banking-customer relationship in the normal course) and on an Arm's Length basis, approval of the Audit Committee will be sufficient.
- (5) All Material RPTs and subsequent material modifications shall require approval of the members through an ordinary resolution at General Meeting and *the Audit Committee*.
- (6) An RPT to which the Bank's subsidiary is a party, but the Bank is not a party, shall require prior approval of the Bank's Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Bank.
- (7) An RPT to which the Bank's subsidiary is a party, but the Bank is not a party, shall require prior approval of the Bank's Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover of the subsidiary as per their last audited financial statements;
- (8) *The members of the Audit Committee, who are Independent Directors, may ratify the 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 in terms of the provisions of sub-regulation (1) of SEBI (LODR) Regulations, 2015*
- 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 this regulation;*
- v. any other condition as specified by the audit committee.*

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it."

- 6. Omnibus approval:** In case of transactions which are frequent and regular in nature and are in the Ordinary Course of business of the Bank, the Audit Committee may grant omnibus approval for such Related Party Transactions proposed to be entered into by the Bank and fix up limits within which the management may carry out such transactions without prior approval of the Audit Committee for the specific transactions as long as these are carried out on the principles approved by the Audit Committee and in the interest of the Bank.

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year. In such a case, the Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Bank pursuant to each of the omnibus approval given.

Also, where the need for related party transaction cannot be foreseen and the details as may be required are not available, the Audit Committee may grant omnibus approval for such transaction on case to case basis subject to their value not exceeding Rupees One crore per transaction/s taken together with the previous transactions during a financial year.

Any member of the Audit Committee/Board who is interested/potentially interested in the Related Party Transaction shall abstain from discussion and shall not vote on the resolution approving the Related Party Transaction.

7. Transactions not requiring the approval of the Audit Committee:

The following Related Party Transactions shall not require approval of Audit Committee:

- a. Appointment and payment of remuneration/compensation to a Director or KMP 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, including any variations thereto, to a Director or KMP .
- b. pursuant to the Nomination and Remuneration Committee/Board approval as may be applicable;
- c. Share based incentive plans or ESOPs for the benefits of the Directors or Key Managerial Personnel pursuant to shareholders' approval.
- d. Any benefits, interest arising to Related Party solely from the ownership of Bank's shares at par with other holders, for example, dividends, right issues, stock split or bonus shares pursuant to shareholders' or Board of Directors approval as may be applicable.
- e. Contribution with respect to Corporate Social Responsibility (CSR) to eligible entities pursuant to approval of Board or the CSR Committee.

8. Ceiling for Related Party Transactions:

<i>Type of Transaction</i>	<i>Threshold</i>	<i>Balance Sheet/P&L Items</i>	<i>Approvals required</i>	<i>Disclosure requirement</i>
<i>Material RPT</i>	<i>As provided above in sub-para (1)</i>	<i>Both</i>	<i>Audit Committee + Shareholders</i>	<i>Comprehensive disclosures*</i>
<i>Other RPT, but which is with promoter or promoter group or person/entity in which promoter or promoter group has concern or interest</i>	<i>Exceed the threshold provided above in sub-para (2)</i>	<i>Balance sheet items</i>	<i>Audit Committee</i>	<i>Comprehensive disclosures*</i>
		<i>P&L items</i>		<i>Comprehensive disclosures*</i>
	<i>Less than the threshold as provided above in sub-para (2)</i>	<i>Balance sheet items</i>	<i>Audit Committee</i>	<i>Comprehensive disclosures*</i>
		<i>P&L items</i>		<i>Limited disclosures*</i>
<i>Residual RPT</i>	<i>Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year exceeding Rs. one crore</i>	<i>Both</i>	<i>Audit Committee</i>	<i>Limited disclosures*</i>
	<i>Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year less than Rs. one crore</i>		<i>Audit Committee</i>	<i>Minimum disclosures*</i>
<i>*Minimum Disclosure, Comprehensive disclosures and Limited disclosures are detailed in Annexure 2</i>				

9. General Guidance:

The details of the related party transactions shall be filed on a half yearly basis with the Stock Exchanges in the format as per SEBI guidelines and a copy of the same shall be placed before the Audit Committee of the Board for its information. The Bank shall seek the prior approval or omnibus approval as the case maybe, in respect of related party transactions, from the Audit Committee of the Board. In case of Related Party Transactions to be approved by the Board, the information required under Rule 15(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time shall be provided to the Board. In case of those related party transactions that require the approval of the shareholders of the Bank, the Bank shall seek the approval of the Audit Committee of the Board, Board of Directors to place the same before the shareholders.

Audit Committee/Board, while considering the Related Party Transaction for approval shall inter alia consider if there are clearly demonstrable reasons from the Bank's point of view to enter into a transaction with a Related Party.

The Audit Committee of the Board or Board shall after considering the information placed before them, judge whether the transaction is in the ordinary course of business and meets arm's length requirements.

9A. POLICY FOR DETERMINING MATERIAL SUBSIDIARY:

A subsidiary of the Bank will be considered material if, in the immediately preceding accounting year:

- such subsidiary's income exceeds ten percent of the consolidated income of the Bank and its subsidiary/ies OR
- such subsidiary's net worth exceeds ten percent of the consolidated net worth of the Bank and its subsidiary/ies.

Further, for the purpose of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (i.e., with regard to Corporate Governance requirements

with respect to Material Subsidiary), “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Bank and its subsidiaries in the immediately preceding accounting year.

10. STANDARDS FOR MINIMUM INFORMATION TO BE PROVIDED TO THE SHAREHOLDERS FOR CONSIDERATION OF RELATED PARTY TRANSACTIONS

- 1. The explanatory statement contained in the notice sent 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 being sent to the shareholders seeking approval for any material RPT shall, in addition to the requirements under the Companies Act, 2013, 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 Para 4 of these Standards, to the extent applicable.*
 - b. The Audit Committee can approve redaction of commercial secrets and such other information that would affect competitive position of listed entity from disclosures to shareholders. Further, the Audit Committee shall certify that, in its assessment, the redacted disclosures still provide all the necessary information to the public shareholders for informed decision-making.*
 - c. Justification as to why the proposed transaction is in the interest of the listed entity.*
 - d. Statement of assessment by the Audit Committee that relevant disclosures for decision making were placed before them, and they have determined that the promoter(s) will not benefit from the RPT at the expense of public shareholders.*
 - e. Disclose the fact that the Audit Committee had reviewed the certificate provided by the CEO or CFO or any other KMP as well as the certificate provided by the promoter directors of the Listed Entity as required under Para 3(2)(b) of these Standards.*

- f. Copy of the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.*
- g. In case of sale, purchase, or supply of goods or services [as provided in B(2) in the format as specified in Para 4 of these Standards], or the sale, lease, or disposal of assets of a subsidiary, unit, division, or undertaking of the listed entity [as provided in B(7) in the format as specified in Para 4 of these Standards], if the Audit Committee has reviewed the terms and conditions of bids from unrelated parties then such fact shall be stated. In case bids have not been invited, the fact shall be disclosed along with the justification thereof, and in case comparable bids are not available, state the basis for recommending that the terms of the RPT are beneficial to the shareholders.*
- h. Comments of the Board/ Audit Committee of the listed entity, if any.*
- i. Any other information that may be relevant.*

11. Transaction involving payments made to a related party with respect to brand usage or royalty

Pursuant to the regulation 23(1A), 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.

12. Disclosure of the Policy

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Policy shall be uploaded in the website of the Bank at www.karnatakabank.com. Bank will also disclose the details of all material Related Party Transactions on a quarterly basis along with the compliance report on Corporate Governance filed with the Stock Exchanges under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further the Bank will disclose as per Accounting Standard (AS 18) “Related Party Disclosures” and RBI circular on the Master Circular - Disclosure in Financial Statements - ‘Notes to Accounts’ related party transactions in the Annual accounts except certain transactions in the nature of banker-customer relationship as per paragraph 5 of AS-18.

Format of Disclosure with respect to Material Related Party Transactions and Specific Related Party Disclosure is provided in Annexure 3.

13. EFFECT OF REGULATORY AMENDMENTS PRIOR TO ANNUAL REVIEW

To the extent any change / amendment is required in the Policy in terms of any change in the applicable law or regulations, the amended law or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law or regulations. Such amended policy shall be placed before the Board for noting and for necessary ratification.

14. PERIODICITY AND AUTHORITY FOR REVIEW OF POLICY

This policy may be reviewed by the Board on an annual basis or at such interval as may be deemed necessary by the Board having regard to the regulatory changes, prudence and operational requirements.

* * * * *

Annexure 1

Name of the Director/KMP:

LIST OF RELATIVES

Sl. No.	Relation	Name	Firms/LLP wherein Partner	Name of Pvt. Ltd. Companies wherein is a Director or Member (along with % of shareholding)	Name of Public Ltd. Companies wherein is a Director (along with % of shareholding)
1.	Father (including step-father)				
2.	Mother (including step-mother)				
3.	Spouse				
4.	Son (including step-son)				
5.	Son's wife				
6.	Daughter				
7.	Daughter's husband				
8.	Brother (including step-brother)				
9.	Sister (including step-sister)				
10.	If the Director is a member of HUF, then other members of such HUF				

Annexure 2

Minimum Disclosure for RPT Review

- Basic details of the Related Party
- Nature of the transaction (e.g., sale/purchase of goods, loans, investments)
- Past transactions & financial impact
- Justification for the transaction
- Pricing details & comparability with market transactions
- Prior approval and Post ratification of related party transactions
- Certification from CEO/CFO on the fairness of related party transactions
- Audit Committee's comments on key terms & conditions

Comprehensive Disclosures for RPT Review

a. General Details

- Name & country of incorporation of the Related Party
- Relationship and ownership of the listed entity

b. Financial Performance of the Related Party

- Last 3 years' turnover, net worth, net profit

c. Transaction-Specific Details

- Type of transaction (e.g., sale of goods, loans, investment, guarantee)
- Value, tenure, pricing comparison with market rates
- Competitive bidding details (if applicable)

Annexure 3

Format of the Disclosures:

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
<u>A. Details of the related party and transactions with the related party</u>			
A(1). Basic details of the related party			
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			
4.	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party.		
5.	Shareholding or contribution % or profit & loss sharing % of the listed entity/subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party. Explanation: Indirect shareholding shall mean shareholding held through any person, over which the listed entity or subsidiary has control.	% Shareholding % Contribution % P&L Sharing	
6.	Shareholding of the related party, whether direct or indirect, in the listed entity/subsidiary (in case of transaction involving the subsidiary). Explanation: Indirect shareholding shall mean shareholding held through any person, over which the related party has control. While calculating indirect shareholding, shareholding held by relatives shall also be considered.	% Shareholding	
A(3). Financial performance of the related party			
7.	Standalone turnover of the related party for each of the last three financial years:		
	FY 20xx-20xx		

	FY 20xx-20xx																				
	FY 20xx-20xx																				
8.	Standalone net worth of the related party for each of the last three financial years:																				
	FY 20xx-20xx																				
	FY 20xx-20xx																				
	FY 20xx-20xx																				
9.	Standalone net profits of the related party for each of the last three financial years:																				
	FY 20xx-20xx																				
	FY 20xx-20xx																				
	FY 20xx-20xx																				
A(4). Details of previous transactions with the related party																					
10.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during each of the last three financial years. Note: Details need to be disclosed separately for listed entity and its subsidiary.																				
	<div>FY 20xx-20xx<table><tr><td>S</td><td>Nature of Transactions</td><td>Amount in No. INR)</td></tr><tr><td></td><td></td><td></td></tr></table></div> <div>FY 20xx-20xx<table><tr><td>S</td><td>Nature of Transactions</td><td>Amount in No. INR)</td></tr><tr><td></td><td></td><td></td></tr></table></div> <div>FY 20xx-20xx<table><tr><td>S. No.</td><td>Nature of Transactions</td><td>Amount (in INR)</td></tr><tr><td></td><td></td><td></td></tr></table></div>	S	Nature of Transactions	Amount in No. INR)				S	Nature of Transactions	Amount in No. INR)				S. No.	Nature of Transactions	Amount (in INR)					
S	Nature of Transactions	Amount in No. INR)																			
S	Nature of Transactions	Amount in No. INR)																			
S. No.	Nature of Transactions	Amount (in INR)																			
11.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the current financial year (till the date of approval of the Audit Committee / shareholders).																				

12.	<i>Whether prior approval of Audit Committee has been taken for the above mentioned transactions?</i>		
13.	<i>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 three financial years.</i>		
A(5). Amount of the proposed transactions (All types of transactions taken together)			
14.	<i>Total amount of all the proposed transactions being placed for approval in the current meeting.</i>		
15.	<i>Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year is material RPT in terms of Para 1(1) of these Standards?</i>		
16.	<i>Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year</i>	%	
17.	<i>Value of the proposed transactions as a percentage of the 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)</i>	%	
18.	<i>Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year.</i>	%	
<u>B. Details for specific transactions</u>			
B(1). <u>Basic details</u> of the proposed transaction <i>(In case of multiple types of proposed transactions, details to be provided separately for each type of the proposed transaction – for example, (i) sale of goods and purchase of goods to be treated as separate transactions; (ii) sale of goods and sale of services to be treated as separate transactions; (iii) giving of loans and giving of guarantee to be treated as separate transactions)</i>			
1.	<i>Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing</i>		

	<i>etc.)</i>		
2.	<i>Details of the proposed transaction</i>		
3.	<i>Tenure of the proposed transaction (tenure in number of years or months to be specified)</i>		
4.	<i>Indicative date/timeline for undertaking the transaction</i>		
5.	<i>Whether omnibus approval is being sought?</i>		
6.	<i>Value of the proposed transaction during a financial year. In case approval of the Audit Committee is sought for multi-year contracts, also provide the aggregate value of transactions during the tenure of the contract.</i> <i>If omnibus approval is being sought, the maximum value of a single transaction during a financial year.</i>		
7.	<i>Whether the RPTs proposed to be entered into are:</i> (i) <i>not prejudicial to the interest of public shareholders, and</i> (ii) <i>going to be carried out on the same terms and conditions as would be applicable to any party who is not a related party</i>	<i>Certificate from the CEO or CFO or any other KMP of the listed entity and also from promoter directors of the listed entity (as referred in Para 3(2)(b) of these Standards)</i>	
8.	<i>Provide a clear justification for entering into the RPT, demonstrating how the proposed RPT serves the best interests of the listed entity and its public shareholders.</i>		

9.	<p><i>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></p> <p><i>The details shall be provided, where the shareholding or contribution or % sharing ratio of the promoter(s) or director(s) or KMP in the related party is more than 2%.</i></p> <p><i>Explanation: Indirect interest shall mean interest held through any person over which an individual has control including interest held through relatives.</i></p>		
	<i>a. Name of the director / KMP</i>		
	<i>b. Shareholding of the director / KMP, whether direct or indirect, in the related party</i>	<i>% Shareholding</i>	
10.	<p><i>Details of shareholding (more than 2%) of the director(s) / key managerial personnel/ partner(s) of the related party, directly or indirectly, in the listed entity.</i></p> <p><i>Explanation: Indirect shareholding shall mean shareholding held through any person over which an individual has control including shareholding held through relatives.</i></p>		
	<i>a. Name of the director / KMP/ partner</i>		
	<i>b. Shareholding of the director / KMP/ partner, whether direct or indirect, in the listed entity</i>	<i>% Shareholding</i>	
11.	<i>A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.</i>		<i>If any such report has been considered, it shall also be stated whether the Audit Committee has reviewed the basis for valuation contained in the report and found it to be satisfactory based on their independent evaluation.</i>
12.	<i>Other information relevant for decision making.</i>		

B(2). <u>Additional details</u> for proposed transactions relating to sale, purchase or supply of goods or services or any other similar business transaction			
13.	Number of bidders/suppliers/vendors/traders / distributors / service providers from whom bids / quotations were received with respect to the proposed transaction along with details of process followed to obtain bids.		If the number is less than 3, Audit Committee to comment upon whether the number of bids/quotations received are sufficient
14.	Best bid / quotation received. If comparable bids are available, disclose the price and terms offered.		Audit committee to provide justification for rejecting the best bid /quotation and for selecting the related party for the transaction
15.	Additional cost / potential loss to the listed entity or the subsidiary in transacting with the related party compared to the best bid / quotation received.		Audit committee to justify the additional cost to the listed entity or the subsidiary
16.	Where bids were not invited, the fact shall be disclosed along with the justification for the same.		
17.	Wherever comparable bids are not available, state what is basis to recommend to the Audit Committee that the terms of proposed RPT are beneficial to the shareholders.		
B(3). <u>Additional details</u> for proposed transactions relating to any loans, inter-corporate deposits or advances given by the listed entity or its subsidiary			
18.	Source of funds in connection with the proposed transaction. Explanation: This shall not be applicable to listed banks/NBFCs.		
19.	Where any financial indebtedness is incurred to give loan, inter-corporate deposit or advance, specify the following: Explanation: This shall not be applicable to listed banks/NBFCs.		
	a. Nature of indebtedness		
	b. Total cost of borrowing		
	c. Tenure		

	<i>d. Other details</i>		
20.	<i>Material covenants of the proposed transaction</i>		
21.	<p><i>Interest rate charged on loans / inter-corporate deposits / advances by the listed entity (or its subsidiary, in case of transaction involving the subsidiary) in the last three financial years:</i></p> <ul style="list-style-type: none"> • <i>To any party (other than related party):</i> • <i>To related party.</i> <p><i>Explanations: Comparable rates shall be provided for similar nature of transaction, for e.g., long term vis-a- vis long term etc.</i></p>		<i>If the interest rate charged to the related party is less than the average rate charged, then Audit Committee to provide justification for the low interest rate charged.</i>
22.	<i>Rate of interest at which the related party is borrowing from its bankers or the rate at which the related party may be able to borrow given its credit rating or credit score and its standing and financial position</i>		
23.	<i>Rate of interest at which the listed entity or its subsidiary is borrowing from its bankers or the rate at which the listed entity may be able to borrow given its credit rating or credit score and its standing and financial position</i>		
24.	<i>Proposed interest rate to be charged by listed entity or its subsidiary from the related party.</i>		
25.	<i>Maturity / due date</i>		
26.	<i>Repayment schedule & terms</i>		
27.	<i>Whether secured or unsecured?</i>		
28.	<i>If secured, the nature of security & security coverage ratio</i>		
29.	<i>The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the transaction.</i>		
30.	<i>Latest credit rating of the related party (other than structured obligation rating (SO rating) and credit enhancement rating (CE rating))</i>		<i>If credit rating of the related party is not available, Audit Committee to comment on credit worthiness of the related party</i>

31.	<i>Amount of total borrowings (long- term and short-term) of the related party over the last three financial years</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
32.	<i>Interest rate paid on the borrowings by the related party from any party in the last three financial years.</i> <i>Explanation: Comparable rates shall be provided for similar nature of transaction, for e.g., long term vis-a- vis long term etc.</i>		<i>If the interest rate charged to the related party is less than the average rate paid by the related party, then the Audit Committee to provide justification for the low interest rate charged.</i>
33.	<i>Default in relation to borrowings, if any, made during the last three financial years, by the related party from the listed entity or any other person.</i>		<i>In case of defaults by the related party over the last three financial years, in relation to which the Listed Entity or any of its subsidiary has previously provided guarantee, indemnity or other such obligation, the management has to submit justification to Audit Committee for the proposed transaction and the capacity of the related party to service the debt (loan, deposit or advance) proposed to be given by the listed entity or its subsidiary.</i> <i>Audit Committee to comment on the justification provided by Management.</i>
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
<i>Additional details relating to advances other than loan given by the listed entity or its subsidiary</i>			

34.	Advances provided, their break-up and duration.					
		S. No.	Advance given to	Amount	Duration of advance given	
		1				
		2				
35.	Advance as % of the total loan given during the preceding 12 months				%	
B(4). <u>Additional details</u> for proposed transactions relating to any investment made by the listed entity or its subsidiary						
36.	Source of funds in connection with the proposed transaction. Explanation: This shall not be applicable to listed banks/NBFCs.					
37.	Purpose for which funds shall be utilized by the investee company.					
38.	Where any financial indebtedness is incurred to make investment, specify the following: Explanation: This shall not be applicable to listed banks/NBFCs.					
	a. Nature of indebtedness					
	b. Total cost of borrowing					
	c. Tenure					
	d. Other details					
39.	Material covenants of the proposed transaction					
40.	Latest credit rating of the related party (other than structured obligation rating (SO rating) and credit enhancement rating (CE rating)) Explanation: This shall be applicable in case of investment in debt instruments.					If credit rating of the related party is not available, Audit Committee to comment on credit worthiness of the related party
41.	Expected annualised returns Explanation: This shall be applicable in case of investment in debt instruments.					

42.	Returns on past investments in the related party over the last three financial years	Return on Equity	In case of diminishing value of investments (negative returns) over the last three financial years, Audit Committee to provide justification for the proposed investment
43.	Details of asset-liability mismatch position, if any, post investment Explanation: This shall be applicable in case of investment in debt instruments.		
44.	Whether any regulatory approval is required. If yes, whether the same has been obtained.		
B(5). Additional details for proposed transactions relating to any guarantee (excluding performance guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary			
45.	Rationale for giving guarantee, surety, indemnity or comfort letter		
46.	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.		
47.	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. 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.		
48.	Latest credit rating of the related party (other than structured obligation rating (SO rating) and credit enhancement rating (CE rating)), if guarantee, surety, indemnity or comfort letter is given in connection with the borrowing by a related party		If credit rating of the related party is not available, Audit Committee to comment on credit worthiness of the related party

49.	<i>Details of solvency status and going concern status of the related party during the last three financial years:</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
50.	<i>Default on borrowings, if any, over the last three financial years, by the related party from the listed entity or any other person.</i>		<p><i>In case of defaults by the related party over the last three financial years, in relation to which the Listed Entity or any of its subsidiary has previously provided guarantee, indemnity or other such obligation, the management has to submit justification to Audit Committee for the proposed transaction and the capacity of the related party to service the debt (loan, deposit or advance) proposed to be given by the listed entity.</i></p> <p><i>Audit Committee to comment on the justification provided by Management.</i></p>
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
<i>B(6). Additional details for proposed transactions relating to borrowings by the listed entity or its subsidiary</i>			
51.	<i>Material covenants of the proposed transaction</i>		

52.	<i>Interest rate (in terms of numerical value or base rate and applicable spread)</i>		
53.	<i>Cost of borrowing (This shall include all costs associated with the borrowing)</i>		
54.	<i>Maturity / due date</i>		
55.	<i>Repayment schedule & terms</i>		
56.	<i>Whether secured or unsecured?</i>		
57.	<i>If secured, the nature of security & security coverage ratio</i>		
58.	<i>The purpose for which the funds will be utilized by the listed entity / subsidiary</i>		
59.	<i>Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements</i> <i>Explanation: This shall not be applicable to listed banks.</i>		
	<i>a. Before transaction</i>		
	<i>b. After transaction</i>		
60.	<i>Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements</i> <i>Explanation: This shall not be applicable to listed banks.</i>		
	<i>a. Before transaction</i>		
	<i>b. After transaction</i>		

B(7). Additional details for proposed 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

61.	<i>Number of bidders / suppliers / vendors / traders / distributors / service providers from whom bids/ quotations were received with respect to the proposed transaction along with details of process followed to obtain bids.</i>		<i>If the number is less than 3, Audit Committee to comment upon whether the number of bids / quotations received are sufficient</i>
62.	<i>Best bid/ quotation received</i> <i>If comparable bids are available, disclose the price and terms offered.</i>		<i>Audit Committee to provide justification for rejecting the best bid / quotation and for selecting the related party for the transaction</i>
63.	<i>Additional cost / potential loss to the listed entity or the subsidiary in transacting with the related party compared to the best bid / quotation received.</i>		<i>Audit committee to justify the additional cost to the listed entity or the subsidiary</i>
64.	<i>Where bids were not invited, the fact shall be disclosed along with the justification for the same.</i>		
65.	<i>Wherever comparable bids are not available, state what is the basis to recommend to the Audit Committee that the terms of proposed RPT are beneficial to the shareholders.</i>		
66.	<i>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.</i>		

67.	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:				
		FY 20xx-20xx	FY 20xx-20xx	FY 20xx-20xx	
	Turnover				
	Net worth				
	Net Profit				
	Net Profit Margin				
	Operating Cash Flow Margin				
	Return on Assets (RoA)				
68.	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				
69.	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.				

70.	<i>Whether the transaction would result in issue of securities or consideration in kind to a related party? If yes, please share the relevant details.</i>		
71.	<i>Would the transaction result in eliminating a segment reporting by the listed entity or any of its subsidiary?</i>		
72.	<i>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?</i>		
73.	<i>Are there any other major non-financial reasons for going ahead with the proposed transaction?</i>		
B(8). <u>Additional details</u> for transactions relating to payment of royalty			
74.	<i>Gross amount of royalty paid by the listed entity or subsidiary to the related party during each of the last three financial years</i>		
	<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>	
75.	<i>Purpose for which royalty was paid to the related party during the last three financial years.</i>		<i>For companies with a composite license agreement that includes a bundle of intellectual property rights (IPRs) such as brands, patents, technology, and know-how, it is essential to understand the key components of such agreements and the reasons why these cannot be disclosed separately.</i>

	<i>a. For use of brand name/ trademark</i>	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>	
	<i>b. For transfer of technology know- how</i>	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>	
	<i>c. For professional fee, corporate management fee or any other fee</i>	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>	
	<i>d. Any other use (specify)</i>	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>	
76.	<i>Purpose for which royalty is proposed to be paid to the related party in the current financial year</i>		
	<i>a. For use of brand name/ trademark</i>	<i>As a % of total royalty proposed to be paid</i>	
	<i>b. For transfer of technology know- how</i>	<i>As a % of total royalty proposed to be paid</i>	
	<i>c. For professional fee, corporate management fee or any other fee</i>	<i>As a % of total royalty proposed to be paid</i>	
	<i>d. Any other use (specify)</i>	<i>As a % of total royalty proposed to be paid</i>	
77.	<i>Royalty paid in last 3 FYs as % of Net Profits of previous FYs</i>		
	<i>FY 20xx-20xx</i>	<i>%</i>	
	<i>FY 20xx-20xx</i>	<i>%</i>	
	<i>FY 20xx-20xx</i>	<i>%</i>	

78.	<i>Dividend paid in last 3 FYs as % of Net Profits of previous FYs</i>		<i>Audit Committee to comment on the reasons for less dividend payment than royalty payment, if so.</i>
	<i>FY 20xx-20xx</i>	<i>%</i>	
	<i>FY 20xx-20xx</i>	<i>%</i>	
	<i>FY 20xx-20xx</i>	<i>%</i>	
79.	<i>Royalty and dividend paid or proposed to be paid during the current FY</i> <i>Explanation: The dividend proposed to be paid shall mean dividend that has been declared but not been paid yet.</i>		
80.	<i>Rate at which royalty has increased in the past 5 years, if any, vis-à-vis rate at which the turnover, profits after tax and dividends have increased during the same period.</i>		
81.	<i>In case of new technology i.e. first year of technology transfer (to be provided separately for each new technology):</i>		
	<i>a. Expected duration of technology transfer</i>	<i>in years</i>	
	<i>b. Benefits derived from the technology transfer</i>		
82.	<i>In case of existing technology i.e. technology being imported (to be provided separately for each existing technology):</i>		
	<i>a. Years since technology transfer initiated</i>	<i>in years</i>	

	<i>b. Expected duration of technology transfer</i>	<i>in years</i>	
	<i>c. Benefits derived from the technology transfer</i>		
83.	<i>Details of in-house research & development, if any:</i>		
	<i>a. Total expenses incurred during the preceding financial year</i>		
	<i>b. Benefits derived</i>		
	<i>c. If any in-house R&D undertaken by the listed entity or its subsidiary that will reduce or eliminate the royalty currently paid for any technology or technical know-how. Additionally, the absolute value of R&D expenditure incurred by the listed entity or its subsidiary on such in-house R&D, along with the period required for completing the research to achieve the reduction or elimination of royalty, shall be disclosed to the Audit Committee.</i>		<i>If no expenses were incurred, the Audit Committee shall provide justification or comment on the same.</i>

84.	<p><i>If royalty is paid to the parent company, disclose royalty received by the parent company from foreign entities:</i></p> <ul style="list-style-type: none"> <i>• Minimum rate of royalty charged along with corresponding absolute amount</i> <i>• Maximum rate of royalty charged along with corresponding absolute amount</i> <p><i>Explanation:</i></p> <p>a) <i>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>b) <i>The listed entity may confirm whether the parent company charges royalty at a uniform rate from all group companies. If so, this row shall not be applicable.</i></p>	%	
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85.	<i>Sunset Clause for Royalty payment</i>						
86.	<i>Peer Comparison:</i> <i>Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any Industry Peer pays royalties for the same purpose, which is disclosed in its audited annual financial statements for the relevant period:</i>						
			<i>Listed Entity/ Subsidiary</i>	<i>Peer 1</i>	<i>Peer 2</i>	<i>Peer 3</i>	
		<i>Royalty payment over last 3 years</i>	<i>Aggregate amount</i>	<i>Aggregate amount</i>	<i>Aggregate amount</i>	<i>Aggregate amount</i>	
		<i>Royalty paid as a % of net profits over the last 3 years</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	
		<i>Annual growth rate of Turnover over last 3 years</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	
87.	<i>Royalty paid or payable for imported technology, along with the turnover attributable to such technology.</i>						
88.	<i>Royalty paid or payable for brands or other intangible assets, along with the turnover attributable to their use.</i>						

