

## Policy on Related Party Transactions

**Division** : Share Department  
(Board & Coordination Division)  
**Version** : 03/2025



## Policy Custodian

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## Policy Version Control

<b>Sr. No.</b>	<b>Version Number</b>	<b>Version Date</b>	<b>Summary of changes</b>
1	01/2020	14.02.2020	Inclusion of: i. Clause relating to Definitions in the Policy and Secrecy Provisions in the Policy.
2	01/2021	30.03.2021	Amendment in the definition of Key Management Personnel (KMP) and Modification in Annexure B.1 and Annexure B.2 of the Policy
3	01/2022	29.03.2022	i. Amendment in the definition of Related Party ii. Amendment in the definition of Related Party Transactions iii. Amendment in Clause 6 relating to dealing with Related Party Transactions. iv. Amendment in Clause 8 relating to Material Related Party Transactions. v. Amendment in Clause 9 relating to Review and Approval of Related Party Transactions vi. Amendment in Clauses relating to Disclosures
4	01/2023	28.02.2023	The format of Related Party Disclosures (Annexure A.3 of the Policy) has been aligned with the RBI's 'Master Direction on Financial Statements - Presentation and Disclosures' dated 30.08.2021 (updated as on 13.12.2022)

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5	02/2023	27.02.2024	<p>Inclusion of Para 2.3.8 (V) with respect to Validity of Shareholders' Approval for Omnibus RPTs approved in General Meeting(s) pursuant to SEBI Master Circular dated July 11, 2023.</p> <p>The date of the RBI Master Direction on Financial Statements - Presentation and Disclosures (Ref. No.: DOR.ACC.REC.No.45/ 21.04.018/2021-22) dated August 30, 2021 (Updated as on October 25, 2023), has been updated, wherever mentioned, in the Policy.</p>
6	01/2025	24.03.2025	<p>i. Changes in Para 2.3.1 xii – definition of Related Party Transactions, pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024.</p> <p>ii. Addition of sub paras (vii) and (viii) under para 2.3.4 pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024.</p> <p>iii. Changes in Para 2.3.5 – Omnibus Approval, pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024.</p> <p>iv. Changes in Para 2.3.8 I (ii) and Para 2.3.8 II pursuant to SEBI Circular dated 14.02.2025.</p> <p>v. Changes in Para 2.3.8 IV pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024.</p> <p>vi. Changes in Para 2.8 – Reporting System pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024.</p>
7	02/2025	14.08.2025	<p>i. Changes in Para 2.3.8 I (ii) and Para 2.3.8 II pursuant to SEBI Circular dated 26.06.2025.</p>
8	03/2025	08.12.2025	<p>i. Changes in Para 2.3.8 I (ii) and Para 2.3.8 II pursuant to SEBI Circular dated 13.10.2025.</p> <p>ii. Changes in 2.3.1 Clause (viii) part(a), Para 2.3.1 Clause (xii) proviso (e), Para 2.3.4 Clause (iv), Para 2.3.4 Clause (v) and Para 2.3.8 V pursuant to SEBI (LODR) (Fifth Amendment) Regulations, 2025 published in Official Gazette on November 19, 2025</p>

## Policy Governance

<b>Frequency Of Review</b>	Triennial
<b>Last reviewed on</b>	24.03.2025
<b>Approval Path</b>	ACE → ACB → BOARD
<b>Supersedes</b>	Policy dated 14.08.2025

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## **1. Policy Overview**

- 1.1.** Punjab National Bank, being a listed entity, is required to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [*hereinafter referred to as SEBI (LODR) Regulations*] and Guidelines issued by the Securities Exchange Board of India (SEBI) from time to time, in this regard.
- 1.2.** In terms of Regulation 23 (1) of SEBI (LODR) Regulations, it is mandatory for all the listed entities to 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 and such policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly.
- 1.3.** In compliance of the aforesaid Regulations, the Bank has formulated the 'Policy on Related Party Transactions'.

## **2. Policy Details**

### **2.1. Objective:**

The objective of the Policy is to determine the materiality of Related Party Transactions and the dealing with related party transactions and is intended to ensure proper approval and reporting of transactions between the Bank and its Related Parties in compliance of the requirements of laws/regulations applicable to the Bank.

### **2.2. Scope and Applicability:**

The Policy shall be applicable to all Related Party Transactions entered with:

- (a) Board of Directors and their Relatives;
- (b) Key Managerial Personnel (KMP) of the Bank and their Relatives; and
- (c) Related Parties, as defined hereinafter.

### **2.3. Policy Contents:**

#### **2.3.1. Definitions:**

- i. "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.
- ii. "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 of the Bank.  
Explanation - "*significant influence*" means control of at least twenty percent of total share capital, or of business decisions under an agreement.

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- iii. “Audit Committee or Committee” means the Audit Committee of the Board of Directors of the Bank constituted pursuant to the directives of the Reserve Bank of India and SEBI (LODR) Regulations, 2015.
- iv. “Board” means the Board of Directors of the Bank constituted in terms of section 9(3) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended from time to time.
- v. “Control” means the right or the ability to appoint majority of the Directors or to control the Management or Policy decisions of the target company, 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.
- vi. “Joint Venture” means a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.
- vii. “Key Managerial Personnel” means:
  - a) the Managing Director & Chief Executive Officer;
  - b) Executive Directors(s);
  - c) Chief Financial Officer; and
  - d) Company Secretary.
- viii. “Material Related Party Transaction” means:

- a) **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:**

<b>Annual Consolidated Total Income of Bank</b>	<b>Threshold</b>
<b>(I) Up to ₹20,000 Crore</b>	<b>10% of the annual consolidated Total Income of Bank</b>
<b>(II) More than ₹20,000 Crore to upto ₹40,000 Crore</b>	<b>₹2,000 Crore + 5% of the annual consolidated Total Income of Bank above ₹20,000 Crore</b>
<b>(III) More than ₹40,000 Crore</b>	<b>₹3,000 Crore + 2.5% of the annual consolidated Total Income of Bank above ₹40,000 Crore or ₹5000 Crores, whichever is lower.</b>

**Explanation: For the purpose of computing the thresholds stated above, the annual consolidated Total Income of Bank shall be determined based on the last audited financial statements of the Bank.**

- b) 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

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during a financial year, exceed 5% of the Annual Consolidated Turnover (i.e., Annual Consolidated Total Income) of the Bank as per the last Audited Financial Statements of the Bank.”

ix. “Office or place of profit” means any office or place-

- where such office or place is held by a Director, if the Director holding it receives from the Bank anything by way of remuneration over and above the remuneration to which he is entitled to as Director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- where such office or place is held by an individual other than a Director 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

x. “Relative”: A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, as defined under Section 2(77) of the Companies Act read with Rule 4 of Companies (Specification of definitions details) Rules, 2014):

- Members of a Hindu Undivided Family (HUF)
- Spouse
- Father: Provided that the term “Father” includes step-father.
- Mother: Provided that the term “Mother” includes the step-mother.
- Son: Provided that the term “Son” includes the step-son.
- Son’s wife
- Daughter
- Daughter’s husband
- Brother: Provided that the term “Brother” includes the step-brother.
- Sister: Provided that the term “Sister” includes the step-sister.

xi. “Related Party”: In terms of Regulation 2(1)(zb) of the SEBI (LODR) Regulations, an entity shall be considered as related party if:

- such entity is a related party as defined under Section 2(76) of the Companies Act 2013\*; or
- such entity is a related party under the applicable accounting standards.

*Provided that:*

- any person or entity forming a part of the promoter or promoter group of the Bank; or*
- 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.*

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*\*Definition of Related Party under Section 2(76) of the Companies Act, 2013: "A related party with reference to a company, means—*

1. a director or his relative;
2. a key managerial personnel or his relative;
3. a firm, in which a director, manager or his relative is a partner;
4. a private company in which a director or manager or his relative is a member or director;
5. 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;
6. 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;
7. any person on whose advice, directions or instructions a director or manager<sup>^</sup> is accustomed to act:

Provided that nothing in sub-clauses (6) and (7) shall apply to the advice, directions or instructions given in a professional capacity;

*^ In terms of Section 2(53) manager means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not.*

8. any company which is—
  - (A) a holding, subsidiary or an associate company of such company;
  - (B) a subsidiary of a holding company to which it is also a subsidiary; or
  - (C) an investing company or the venturer of the company;
- Explanation - For the purpose of above, "*the investing company or the 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.
9. such other person as may be prescribed;"

xii. "Related Party Transactions" In terms of Regulation 2(1)(zc) of the SEBI (LODR) Regulations, "related party transaction" means a transaction involving a transfer of resources, services or obligations between:

- (a) 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
- (b) 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;

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*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 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 SEBI.
- 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.**
- xiii. “Subsidiary company” means a company in which the Bank controls the composition of Board of Directors; or exercises or controls more than one half of the total share capital either on its own or together with one or more or its subsidiary companies.

In terms of Regulation 16(1)(c) of SEBI (LODR) Regulations, a “Material subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten per cent of the consolidated income or net worth respectively, of the Bank and its subsidiaries in the immediately preceding accounting year.

### 2.3.2. Process for ascertaining related party:

- i. The following details shall be required for ascertaining a related party:
  - a. Declaration/Disclosure of interest by all the Directors, KMPs and their Relatives in the prescribed forms. (Annexure A.1 & A.2) including:
    - I. Disclosure of a firm(s) in which a Director/ KMP or his relative is a partner.
    - II. Disclosure of Private Company(ies) in which a Director or KMP is a member or director.
  - b. Declaration of relatives by all Directors and KMPs. [Annexure A.1(1)]
  - c. Disclosure of Public Company(ies) in which a Director or KMP is a Director and holds along with the relatives more than 2% of the paid-up share capital of such Company.
  - d. Notice from Director(s) of any change in particulars of Directorship or in other positions held by them during the year.
  - e. Declaration by Holding Company regarding its Directors/KMPs and their relatives.
  - f. Details of 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 KMP of the Bank.
  - g. Details of any person on whose advice, directions or instructions a Director or a KMP is accustomed to act.
  - h. Provided that disclosures requirements as per the points (f) and (g) shall not apply to the advice, directions or instructions given in a professional capacity.
  - i. Details of any Company which is
    1. a holding, subsidiary or an associate company of the Bank; or
    2. a subsidiary of a holding company to which it is also a subsidiary
  - j. Details of any person or entity forming a part of the Promoter / Promoter Group
  - k. Details of 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.
- ii. The Share Department, Board and Coordination Division shall prepare a report of Related Party Transactions on the basis of the information collected from the Related Parties/Concerned Divisions on quarterly basis.
- iii. Internal Auditors/Statutory Auditor shall verify the process of ascertaining the Related Party Transaction(s) and their correct recording/listing, etc., as well as their classification regarding whether they are on arm's length basis.

### 2.3.3. Type of Transactions covered

- (i) All transactions covered under the definition of Related Party Transactions in terms of Regulation 2(1)(zc) of SEBI (LODR) Regulations [Para 2.3.1(xii) of the

Policy] including transactions involving payments with respect to brand usage or royalty.

(ii) 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:

- a) Purchases or sales of goods;
- b) Purchases or sales of fixed assets;
- c) Rendering or receiving of services;
- d) Agency arrangements;
- e) Leasing or hire purchase arrangements
- f) Transfer of research and development.
- g) License agreements.
- h) Finance (including loans and equity contributions in cash or in kind).
- i) Guarantees and collaterals.
- j) Management contracts including for deputation of employees.

(iii) Transactions as included in Reserve Bank of India Master Direction No. DOR.ACC.REC.No.45/21.04.018/2021-22 dated 30.08.2021 (**Updated as on April 01, 2024**) on Financial Statements – Presentation and Disclosures. The illustrative disclosure format as suggested by the RBI is given as Annexure A.3.

(iv) In addition to the above, the following transactions are also covered under Related Party Transactions in terms of the provisions of the Companies Act 2013:

- a) Sale, purchase or supply of any goods or materials;
- b) Selling or otherwise disposing of, or buying, property of any kind;
- c) Leasing of property of any kind;
- d) Availing or rendering of any services;
- e) Appointment of any agent for purchase or sale of goods, materials, services or property, etc.
- f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;
- g) Underwriting the subscription of any securities or derivatives thereof, of the company.

#### 2.3.4. Dealing with Related Party Transactions

- (i) All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Board in accordance with this Policy.
- (ii) Only those members of the Audit Committee of the Board, who are Independent Directors, shall approve Related Party Transactions.

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(iii) A modification to a Related Party Transaction shall be considered as 'material' if:

- a) Such modification results in financial impact in excess of 3% of the Annual Operating Profit as per the latest Audited Financial Statements of the Bank.  
or
- b) In the opinion of the concerned Competent Authority such modification results in significant change in the terms & conditions of the existing Contract / Agreement/ Arrangement such as change in the tenure of the transaction, interest rate/repayment schedule, nature of security, waiver/relief to the party, addition/deletion of parties to the transaction, etc.

(iv) **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 the Bank is a party but the Bank is not a party, shall require prior approval of the Audit Committee of the Bank if the value of such transaction, exceeds the lower of the following:**

- a- ten percent of the annual standalone turnover of the subsidiary as per the last financial statements audited of the subsidiary; or
- b- the threshold for material related party transactions of Bank.

(v) **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 the Bank is a party but the Bank 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 Bank shall be obtained if the value of such transaction exceeds the lower of the following:**

- a- ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
- b- the threshold for material related party transactions of Bank

**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.**

(vi) Prior approval of the Audit Committee of the Bank shall not be required for a related party transaction to which the listed subsidiary of the Bank is a party but the Bank is not a party, if Regulation 23 and Regulation 15(2) of SEBI (LODR) Regulations, are applicable to such listed subsidiary.  
Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

(vii) remuneration and sitting fees paid by the Bank 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 a material related party transaction.

(viii) 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:

- a) 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;
- b) the transaction is not a material related party transaction;
- c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- d) the details of ratification shall be disclosed along with the disclosures of related party transactions made to the Stock Exchanges;
- e) 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 Bank against any loss incurred by it.

#### 2.3.5. Omnibus Approval

The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Bank or its subsidiary subject to the following conditions, namely:

- (i) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the Policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature.
- (ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Bank.
- (iii) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that shall be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) 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 Rs.1.00 Crore per transaction.

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- (iv) The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Bank or its subsidiary pursuant to each of the omnibus approval given.
- (v) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

#### 2.3.6. Identification of Potential Related Party Transactions

- (i) Notice of any potential Related Party Transaction shall be given well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.
- (ii) In case of any potential Related Party Transaction (other than transactions in respect of which omnibus approval has been accorded), involving Director/Key Managerial Personnel or his/her Relative, it shall be the responsibility of such Director/Key Managerial Personnel to provide notice of the same and also to provide any additional information about the transaction that the Board or Audit Committee may seek.
- (iii) The Audit Committee of Board will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

#### 2.3.7. Material Related Party Transactions

- (i) All material related party transactions [as defined in Para 2.3.1(viii)] and subsequent material modifications [as mentioned in Para 2.3.4(iii)] 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.
- (ii) Prior approval of the shareholders of the Bank shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the Bank is not a party, if Regulation 23 and 15(2) of SEBI (LODR) 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 further that the requirements specified under this Para shall not apply in respect of a resolution plan approved under section 31 of The Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed to the recognized Stock Exchanges within one day of the resolution plan being approved.

### 2.3.8. Review and Approval of Related Party Transactions

#### I. Approval of the Audit Committee of the Board

- (i) Upon receipt of notice of potential Related Party Transaction, the same will be referred to the next regularly scheduled meeting of Audit Committee, for review and approval.
- (ii) To review, modify and approve a Related Party Transaction, the Bank shall provide the Audit Committee 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” (Annexure-C) (applicable w.e.f. 01.09.2025), while placing any proposal for review and approval of an RPT.

**Provided that 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 Bank as per the last audited financial statements of the Bank or Rupees Ten Crore, whichever is lower, the Bank shall provide ‘Minimum information to the Audit Committee for approval of Related Party Transactions’ specified in Annexure-D of this circular.**

**Provided further that the above requirements, shall not be applicable to 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) which does not exceed Rs. One Crore.**

- (iii) The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- (iv) The Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.
- (v) 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:
  - a) 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;
  - b) 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;
  - c) Whether the Related Party Transaction would affect the independence of an Independent Director;

- d) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- e) 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 if allowed, would be detrimental to the Bank; and
- f) Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Bank, taking into account the size of the transaction, the overall financial position of the Director, or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the on-going nature of any proposed relationship and any other factors the Board/Committee deems relevant.

(vi) If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board 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.

(vii) In terms of Regulation 4 sub clause 2(f)(ii) (6) of the SEBI (LODR) Regulations, the Board of Directors shall monitor and manage potential conflicts of interest of the management, Board members and shareholders, including misuse of corporate assets and abuse in Related Party Transactions.

## II. Review and Approval by Shareholders

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 audit committee and shareholders for approval of a related party transactions" (Annexure-C) (w.e.f. 01.09.2025).

**Provided that 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 Bank as per the last audited financial statements of the Bank or Rupees Ten Crore, whichever is lower, the Bank shall provide 'Minimum information to the Shareholders for approval of Related Party Transactions' specified in Annexure-D of this Circular.**

**Provided further that the above requirements, shall not be applicable to 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) which does not exceed Rs. One Crore.**

- III. Notwithstanding the foregoing, any transaction that involves providing of compensation to a Director or 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, shall not require approval of Audit Committee or Shareholders.**
- IV. As per the SEBI (LODR) Regulations, prior approvals shall not be required in the following cases:**
  - (i) Transactions entered into between two Public Sector Companies.**
  - (ii) Transactions entered into between the Bank and its wholly owned subsidiary whose accounts are consolidated with the Bank and are placed before the shareholders at the General Meeting for approval.**
  - (iii) 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.**
  - (iv) 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.**
  - (v) 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.**
- V. The omnibus approval granted by the shareholders for material RPTs in an AGM shall be valid till the date of the next AGM for a period not exceeding fifteen months provided that the next AGM is held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time. In case of omnibus approvals for material RPTs, granted by shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year from the date of such approval.**

#### **2.3.9. Procedure for seeking approval**

- (i) As and when any transaction is contemplated with any Related Party, the concerned Division at Head office shall seek approval of the ACB and intimate Shares Department, Board & Coordination Division for seeking approval of shareholders, if required.**
- (ii) The decision of the approving authority shall subsequently be conveyed to the concerned Office/Division.**

#### 2.3.10. Secrecy Provisions

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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, the bank need not disclose any details pertaining to that related party other than the relationship with that related party.

#### 2.3.11. Records relating to Related Party / Supporting documents

All disclosures, agreements, 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 concerned Division or any other person authorized by the Board for the purpose.

### **2.4. Authority for approving Operational Guidelines:**

The Policy does not contain any operational guidelines. As such, this clause is not applicable.

### **2.5. Disclosure of the Policy:**

The Bank shall disclose the Policy on Related Party Transactions on its website and a web-link thereto shall be provided in the Annual Report.

### **2.6. Ownership of the Policy:**

The Share Department (Board & Coordination Division) shall be responsible for formulating/reviewing/ periodic updation of the Policy.

### **2.7. Validity and Review of the Policy:**

2.7.1. The Policy shall remain valid for a period of twelve months from the date of approval by the Board. In case of any regulatory change/amendment during the validity of the Policy, the same shall be construed to form part of the Policy till such time the same are incorporated therein.

2.7.2. Further, the Audit Committee of Executives (ACE) shall be authorised to:

- (i) incorporate any changes necessitated in the Policy for the interim period up to the next review, due to regulatory pronouncements made during the validity period of the Policy; and
- (ii) extend the validity of the Policy for a period upto three months and the Board will be informed of such extension subsequently at the time of annual review.

### **2.8. Reporting System:**

2.8.1. The Bank shall record the details containing the full particulars of contracts or arrangements in respect of all RPTs approved by the Audit Committee.

2.8.2. Necessary disclosures shall be made in the Annual Financial Statements as required under AS 18 and RBI Guidelines. Further, as required under Regulation 34(3) read with Schedule V- Para 10 of SEBI (LODR) Regulations, 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 disclosed in the 'Report on Corporate Governance' forming part of the Annual Report of the Bank.

2.8.3. The Bank shall submit to the Stock Exchanges, disclosures of related party transactions in the format as specified by SEBI from time to time along with its Standalone and Consolidated Financial Results for the half year and publish the same on its website. The format as prescribed by SEBI is enclosed as Annexure-B.

Provided that the remuneration and sitting fees paid by the Bank or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure provided that the same is not a material related party transaction as defined in the Policy.

2.8.4. Disclosure in respect of material transactions with Related Parties shall be made in the quarterly Compliance Report on Corporate Governance submitted to Stock Exchanges.

### **2.9. Authority to allow deviations**

The Board of Directors of the Bank shall be the Competent Authority to allow any deviation (other than regulatory guidelines) from this Policy.

### **2.10. Policy Exclusions**

Not Applicable.

**Appendix**

**A. Glossary:** Not Applicable

**B. List of references**

- i. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended upto 12.12.2024.
- ii. SEBI Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities (Ref. No.: SEBI/HO/CFD/PoD2/CIR/P/0155) dated November 11, 2024.
- iii. SEBI Circular on 'Implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities' (Ref. No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185) dated December 31, 2024.
- iv. SEBI Circular on Industry Standards on "Minimum information to be provided for review of Audit Committee and Shareholders for approval of a related party transaction." (Ref. No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2025/18) dated February 14, 2025.
- v. SEBI Circular on Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" (Ref. No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/37) dated March 21, 2025.
- vi. **SEBI Circular on Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transaction" (Ref. No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93) dated June 26, 2025.**
- vii. **SEBI Circular on Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transaction (Ref. No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135) dated October 13, 2025.**
- viii. **SEBI (LODR) (Fifth Amendment) Regulations, 2025 published in Official Gazette on November 19, 2025**
- ix. Reserve Bank of India Master Direction on Financial Statements – Presentation and Disclosures (Ref. No.: DOR.ACC.REC. No.45/21.04.018/2021-22) dated 30.08.2021 (**updated as on April 01, 2024**).
- x. Companies Act, 2013, as amended.

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**Annexure – A.1**  
[Refer Para 2.3.2(i)(a) of the Policy]

**Format of declaration to be given by Related Party(ies)**

I \_\_\_\_\_ son/daughter/spouse of \_\_\_\_\_  
resident of \_\_\_\_\_ being a Director/Key Managerial Personnel  
(KMP)/Relative of KMP or Director /Related Party of the Bank hereby give notice of my  
interest in the following company or companies, bodies corporate, firms or other  
association of individuals/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 interest**/ transaction(s)	
5	Material terms of the contract or arrangement including the value, if any	
6	Any advance 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 ACB/Board to take a decision on the proposed transaction.	

\*Including public companies, private companies, foreign companies, partnership firms, limited liability partnership, trusts, association of individuals, society, etc.

\*\*includes interest of Director / KMP of the Bank or their Relative:

- (i) As a Director, Chairman, Managing Director, Chief Executive Officer, Manager, Promoter, Member, Partner, Trustee, Owner, etc., of above-mentioned entities.
- (ii) By way of holding shares in a private company. and,
- (iii) By way of holding more than two per cent shares of other companies/body corporate.

Note: Supporting Documents to be enclosed in respect of which disclosures are being made.

**Place:**  
**Date:**

**Signature:**  
**Name:**

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**Annexure –A.1 (1)**  
[Refer Para 2.3.2(i)(b) of the Policy]

**List of Relatives**

<b>Sr. No.</b>	<b>Relation</b>	<b>Name</b>	<b>Firms / LLP wherein Partner</b>	<b>Name of Companies (along with % of Shareholding)</b>
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			

**Place:**  
**Date:**

**Signature:**  
**Name:**

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**Annexure -A.2**  
[Refer Para 2.3.2(i)(a) of the Policy]

**Format of Information on Related Party Transactions**

**Name of the Related Party** :

**Relationship with Director/KMP/Bank** :

**Nature & volume of Transaction during the quarter:**

**A) Transactions of routine and repetitive nature**

<b>Nature of Transactions</b>	<b>Amount of Transaction Entered during the quarter</b>
▪ Fixed/Recurring Deposits (made during the quarter)	
▪ Interest received /due (to be reported only if the rate charged is different from the card rate/rate approved by the Board / Sub-Committee of Board/ Competent Authority of the Bank)	
▪ Advances (availed during the quarter)	
▪ Interest paid/accrued (to be reported only if the rate charged is different from the card rate/rate approved by the Board / Sub-Committee of Board/ Competent Authority of the Bank)	
▪ Other services/contracts**	
Whether at staff rate	
Special concessions, if any	
Whether at arm's length	

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

<b>Nature of Transactions</b>	<b>Amount of Transaction entered during the quarter</b>
Special concessions, if any	
Whether at arm's length	

**C) Material Transactions / Other Transactions**

<b>Nature of Transactions</b>	<b>Amount of Transaction entered during the quarter</b>

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

Note: In case of relatives/others related to the KMPs/Directors separate sheets may be attached

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I/We hereby confirm that the transactions entered into by me/us/my relatives with the Bank were at arms' 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.

**Place:**  
**Date:**

**Signature:**  
**Name:**

**ਪੰਜਾਬ ਨੇਸ਼ਨਲ ਬੈਂਕ**  
**ਸ਼ੋਧਰ ਵਿਭਾਗ, ਬੋਰਡ ਅਤੇ ਸਮਚਾਰ ਪ੍ਰਭਾਗ, ਪ੍ਰਧਾਨ ਕਾਰਾਲਿਅ**  
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**Annexure – A.3**  
[Refer Para 2.3.3(iii) of the Policy]

**Format for Related Party Disclosures**

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

(Amount in ₹ Crore)

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

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

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

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

**Note:**

- (i) Related parties for a Bank are its parent, subsidiary(ies), associates/ joint ventures, Key Management Personnel (KMP) and relatives of KMP. KMP are the whole-time directors for an Indian bank and the Chief Executive

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Officer (CEO) for a foreign bank having branches in India. Relatives of KMP would be on the lines indicated in section 45 S of the RBI Act, 1934.

(ii) The name and nature of related party relationship shall be disclosed, irrespective of whether there have been transactions, where control exists within the meaning of the Standard. Control would normally exist in case of parent-subsidiary relationship. The disclosures may be limited to aggregate for each of the above related party categories and would pertain to the year-end position as also the maximum position during the year.

(iii) The Accounting Standards is applicable to all nationalised banks. The accounting standard exempts state-controlled enterprises, i.e., nationalised banks from making any disclosures pertaining to their transactions with other related parties which are also state controlled enterprises. Thus, nationalised banks need not disclose their transactions with the subsidiaries as well as the RRBs sponsored by them. However, they will be required to disclose their transactions with other related parties.

(iv) Secrecy provisions: If in any of the above category of related parties there is only one related party entity, any disclosure would tantamount to infringement of customer confidentiality. In terms of AS 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. Further, in case a statute or regulator governing an enterprise prohibits the enterprise from disclosing certain information, which is required to be disclosed, non-disclosure of such information would not be deemed as noncompliance with the Accounting Standards. 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.

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**Annexure B**

[Refer Para 2.8.3 of the Policy]

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

										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 during the reporting period (see Note 6b)	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					Opening Balance	Closing Balance	Nature of indebtedness (loan/ issuance of debt/ any other, etc.)	Cost (see Note 7)	Tenure	Nature (loan/ advance/ intercorporate 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.**

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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 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.

**Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”**  
**(“RPT Industry Standards”)**

**Date: June 26, 2025**

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## EXECUTIVE SUMMARY

1. In accordance with the provisions of Regulation 23(2), (3) and (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), prior approval of the Audit Committee and shareholders, as the case may be, is required for the Related Party Transactions<sup>1</sup> (“**RPTs**”).
2. The objective of these RPT Industry Standards is to provide a standard format for minimum information to be provided to the Audit Committee and Shareholders (as applicable) for review and approval of RPT.
3. Accordingly, the Industry Standards Forum (“ISF”) comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, formulated standards for “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction (“**Industry Standards**”), in consultation with SEBI, which were notified vide SEBI Circular dated February 14, 2025 and effective from April 01, 2025. On receipt of feedback from various stakeholders requesting extension of timeline for applicability of the Industry Standards, SEBI notified that the effective date of the Circular shall be July 01, 2025.
4. Further, stakeholders also requested for simplification of the Industry Standards. SEBI, accordingly, advised the ISF to take into consideration such feedback and review the Industry Standards. Such revised Industry Standards (referred as “**RPT Industry Standards**”) have been now finalized by the ISF, in consultation with SEBI, which will substitute the Industry Standards notified by SEBI vide Circular dated February 14, 2025, and are structured as under:
  - **Part A:** This Part of the Standards captures the minimum information of the proposed RPT and is **applicable to all RPTs**.
  - **Part B:** This Part is **applicable only if a specific type of RPT is proposed to be undertaken** and is in addition to Part A. *Seven types of RPTs have been specified.*
  - **Part C:** This Part is **applicable only if a specific type of RPT proposed to be undertaken is a Material RPT** as defined under Regulation 23(1) & (1A) of the LODR Regulations (“**Material RPTs**”); and is in addition to Part A and Part B (with respect to such RPT).
5. The minimum information to be provided to the shareholders for approval of Material RPTs is specified in **Para 5**.

<sup>1</sup> The terms “related party” and “related party transaction” are as defined under LODR Regulations.

**Note:**

- (a) *The RPT Industry Standards are only procedural in nature; the substantive compliance requirements are covered under the relevant provisions of the LODR Regulations.*
- (b) *The RPT Industry Standards have been prepared in consultation with SEBI. Any modification to the RPT Industry Standards can be made only in consultation with SEBI.*
- (c) *The RPT Industry Standards are in conformity with the provisions of the LODR Regulations and/or applicable SEBI Circulars. However, if a particular part of the RPT Industry Standards becomes inconsistent with subsequent changes in the LODR Regulations and/or SEBI Circular/s, the provisions of the LODR Regulations and/or the SEBI Circular/s shall prevail.*

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## 1. Applicability of the RPT Industry Standards:

- (1) The RPT Industry Standards shall be applicable for all RPTs placed for review and approval by the Audit Committee of the listed entity, in terms of Regulation 23(2) and 23(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”).
- (2) The RPT Industry Standards shall be applicable in case of material RPTs as defined under Regulation 23(1) & 23(1A) of the LODR Regulations, which are placed for approval of both the Audit Committee and the shareholders.
- (3) The RPT Industry Standards shall not be applicable to:
  - (a) Transactions exempted under Regulation 23(5) of the LODR Regulations; and
  - (b) Quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of the LODR Regulations.
  - (c) 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) **do not exceed Rs. One Crore**.
- (4) The RPT Industry Standards shall be applicable from **the date as may be specified by the SEBI (“effective date”)**. However, it is clarified that:
  - (a) If the Audit Committee and/or shareholders have granted approval before **effective date**, for RPTs to be executed on or after **effective date**, then it will not be necessary for the listed entity to seek approval during the validity of the approval unless there is any material modification to such RPTs which is presented to Audit Committee after **effective date**.
  - (b) If omnibus approval has been granted before **effective date** for RPTs for the financial year 2025-26, then the listed entity is not required to seek fresh approval with disclosures as per the RPT Industry Standards. However, any material modification to such RPTs on or after **effective date**, shall be subject to the RPT Industry Standards.
  - (c) If a Material RPT is approved by Audit Committee before **effective date**, the RPT Industry Standards shall not apply, irrespective of whether the notice to shareholders is sent either before or on or after the **effective date**.

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## 2. Words and expressions used in the RPT Industry Standards:

The “words and expressions” used in the RPT Industry Standards shall be construed in the following manner:

- (1) Words and expressions defined under the LODR Regulations, shall be construed in the manner they have been defined in LODR Regulations;
- (2) Words and expressions used but not defined in LODR Regulations, but defined under the SEBI Act, 1992 or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules thereof and regulations made thereunder shall have the same meaning as assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

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### 3. Guidelines for placing information to the Audit Committee:

- (1) The management of the listed entity, while providing the information to the Audit Committee, shall:
  - (a) Provide information in the format specified in the RPT Industry Standards. Where a field is not applicable, it shall be indicated as 'NA', and the reason for non-applicability shall be disclosed to the Audit Committee, unless it is self-evident.
  - (b) Provide Certificate from the Chief Executive Officer (CEO)/Managing Director/Whole Time Director/ Manager and Chief Financial Officer (CFO) of the Listed Entity confirming that the terms of RPTs proposed to be entered into are in the interest of the Listed Entity.
  - (c) Provide a copy of the valuation or other report of external party, if any.
  - (d) If the audited financial statements of the related party are not available for immediately preceding financial year, it shall provide the financial extracts as relevant to/for the minimum information to be provided under the RPT Industry Standards, duly certified by the related party, as drawn from its books of accounts.
  - (e) When the related party follows a different financial year, such fact shall be disclosed.
  - (f) In case of multiple types of proposed transactions, details to be provided separately for each type of the proposed transaction –*for example, (i) the sale of goods and the purchase of goods would need to be treated as separate transactions; (ii) the sale of goods and the sale of services would need to be treated as separate transactions; (iii) the giving of loans and the giving of guarantee would need to be treated as separate transactions*
- (2) The Audit Committee may, at its discretion, comment on information provided by the management. Such comments and the rationale for not approving a RPT shall be recorded in the minutes of the meeting of the Audit Committee.
- (3) The Audit Committee may seek any additional information from the management, as it deems necessary and reasonable, to evaluate the proposed RPT.

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**4. 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
- A(2): Relationship and ownership of the related party
- A(3): Details of previous transactions with the related party
- A(4): Amount of the proposed transaction(s)
- A(5): Basic details of the proposed transaction

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**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<sup>1</sup> (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><i>Explanation: Indirect shareholding shall mean shareholding held through any person, over which the listed entity/Subsidiary/ related party has control<sup>2</sup>.</i></p> <p><i>While calculating indirect shareholding, shareholding held by relatives<sup>3</sup> shall also be considered.</i></p>	

<sup>1</sup> The term “subsidiary”, is as defined under LODR Regulations, and accessible here: ([Link](#))

<sup>2</sup> The term “control” is as defined under LODR Regulations, and accessible here: ([Link](#))

<sup>3</sup> The term “relative” is as defined under LODR Regulations, and accessible here: ([Link](#))

**A(3).**

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

S. No.	Particulars of the information			Information provided by the management
1.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.			
	S. No.	Nature of Transactions	FY 20xx-20xx (INR)	
<i>Explanation: Details need to be disclosed separately for listed entity and its subsidiary.</i>				
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="318 1203 1036 1446"> <thead> <tr> <th>Particulars</th><th>FY 20xx-20xx (INR)</th></tr> </thead> <tbody> <tr> <td>Turnover</td><td></td></tr> <tr> <td>Profit After Tax</td><td></td></tr> <tr> <td>Net worth</td><td></td></tr> </tbody> </table> <p><b><i>Explanations:</i></b>  <i>The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.</i></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?	<i>Yes or No</i>
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.	

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## 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 Part A.**

B(1): Sale, purchase or supply of goods or services or any other similar business transaction and trade advances

B(2): Loans and advances (other than trade advances) or inter-corporate deposits given by the listed entity or its subsidiary

B(3): Investment made by the listed entity or its subsidiary

B(4): 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.

B(5): Borrowings by the listed entity or its subsidiary

B(6): 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<sup>1</sup>.

B(7): Transactions relating to payment of royalty

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<sup>1</sup> The term “associate” is as defined under LODR Regulations, and accessible here: ([Link](#))

**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 ( <i>of upto 365 days or such period for which such advances are extended as per normal trade practice</i> ), if any, proposed to be extended to the related party in relation to the transaction, specify the following: <ul style="list-style-type: none"> <li>a. Amount of Trade advance</li> <li>b. Tenure</li> <li>c. Whether same is self-liquidating?</li> </ul>	

**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> <p>a. Nature of indebtedness</p> <p>b. Total cost of borrowing</p> <p>c. Tenure</p> <p>d. Other details</p>	
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>(1) <i>This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.</i></p> <p>(2) <i>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.	<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 make investment, 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> <p>a. Nature of indebtedness</p> <p>b. Total cost of borrowing</p> <p>c. Tenure</p> <p>d. Other details</p>	
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.	
3.	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.	

**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.	<p>Purpose for which royalty is proposed to be paid to the related party in the current financial year.</p> <p><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, state the key components of such agreements and the reasons royalty attributable to those key components could not be furnished separately.</i></p>	
	a. For use of brand name / trademark	<i>As a % of total royalty proposed to be paid</i>
	b. For transfer of technology know-how	<i>As a % of total royalty proposed to be paid</i>
	c. For professional fee, corporate management fee or any other fee	<i>As a % of total royalty proposed to be paid</i>
	d. Any other use (specify)	<i>As a % of total royalty proposed to be paid</i>
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.	

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## **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): Transactions relating to any loans and advances (other than trade advance) or inter-corporate deposits given by the listed entity or its subsidiary.
- C(2): Investment made by the listed entity or its subsidiary.
- C(3): 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.
- C(4): Borrowings by the listed entity or its subsidiary.
- C(5): 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.
- C(6): Transactions relating to payment of royalty.

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**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>	
2.	<p>Default on borrowings, <i>if any</i>, 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> <ol style="list-style-type: none"> <li>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;</li> <li>Whether the related party has been declared a “wilful defaulter” by any of its bankers and whether such status is currently subsisting;</li> <li>Whether the related party is undergoing or facing any application for commencement of an insolvency resolution process or liquidation;</li> <li>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.</li> </ol> <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.	

**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> <ul style="list-style-type: none"> <li>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></li> <li>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></li> </ul>	
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, <i>if any</i>, 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 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>	
	a. Before transaction	
	b. After transaction	
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 companies.</i></p>	
	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**

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

S. No.	Particulars of the information	Information provided by the management
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. <i>Any other use (specify)</i>	<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	
	<i>FY 20xx-20xx</i>	<i>%</i>
	<i>FY 20xx-20xx</i>	<i>%</i>
	<i>FY 20xx-20xx</i>	<i>%</i>
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.	<i>%</i>

<b>5.</b>	<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>	%	%	%	%

**Explanation:** In the case of the payment of, the criteria for comparison with Industry Peers shall be as follows:

- 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.
- 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.
- 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.
- In case there are no Industry Peers, the Listed Entity shall state that no Industry Peers are available for comparison.

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## **5. Minimum Information to be provided to the shareholders for approval of Material RPTs:**

- (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, 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 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 provides all the necessary information to the public shareholders for informed decision-making.
  - (g) Any other information that may be relevant.

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Annexure –D

**Minimum Information to the Audit Committee & Shareholders for approval of Related Party Transactions (RTPs)**

**(A) 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- details of the source of funds in connection with the proposed transaction;
  - ii- where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,
    - nature of indebtedness;
    - cost of funds; and
    - tenure;

*(Note: The requirement of disclosure in Sr. no. i. and ii. above, is not applicable to listed banks/NBFCs/insurance companies/housing finance companies)*

- iii- applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
- iv- 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.

**(B) 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 paragraph 4 of this Section;
- 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 4(f) above;
- 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.

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