



# **Related Party Transactions Policy**

25/02/2025



**Board Secretariat**  
Corporate Headquarters, M. A. Road,  
Srinagar 190001, Kashmir, India.  
Phone: +911942483775 / FAX: +911942481928  
Email: [board.sectt@jkbmail.com](mailto:board.sectt@jkbmail.com)



**Document Control**

<b>Title</b>	<b>Related Party Transactions Policy</b>	<b>Version</b>	<b>4.0</b>
<b>Created By</b>	Board Secretariat	<b>Date of Origin</b>	22-06-2015
<b>Date of Last Review</b>	08-02-2022	<b>Due Date of Renewal</b>	08-02-2025
<b>Reviewed By</b>	Audit Committee of Board	<b>Date of Review</b>	16-01-2025
<b>Approved By</b>	Board of Directors	<b>Date of Approval</b>	25-02-2025
<b>Date of Next Review</b>			25-02-2028
<b>Frequency of Review</b>			3 years

## Table of Contents

S. No.	Content	Page No
01	Introduction	04
02	Objective	04
03	Definitions	04
04	Approval of Related Party Transactions (By Audit Committee)	07
05	Approval of Related Party Transactions (By Board of Directors)	08
06	Approval of Related Party Transactions (By Shareholders)	08
07	Industry Standards prescribed by Industry Standards Forum (ISF)	08
08	Type of Related Party Transactions to be covered	09
09	Exemptions to Related Party Transactions	09
10	Disclosure & Reporting	10
11	Ownership & Review of the Policy	10

## 1. INTRODUCTION.

The Board of Directors of the Bank on the recommendations of the Audit Committee of the Board (ACB) has adopted the Related Party Transactions (“Policy”) on January 31, 2018 prescribing the procedures governing related Party transactions required to be followed by the Bank to ensure compliance with the applicable laws and regulations. The policy has been formulated in compliance to regulation 23 (1) of SEBI (LODR) Regulations, 2015 read with sections 177 and 178 of Companies Act, 2013. The policy was last reviewed on 08.02.2022.

## 2. OBJECTIVE.

The objective of this policy and procedure is to ensure that transactions between the Bank and its related parties are based on principles of transparency and arm's length pricing. Likewise, this policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties.

## 3. DEFINITIONS.

- a) **Arm’s Length Transaction.**  
As per explanation (b) appended to section 188 (1) of the Companies Act, 2013 expression “Arm’s Length transaction” means transaction a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- b) **Associate company.**  
In terms of section 2 (6) of Companies Act, 2013 an “Associate Company” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes joint venture company.
- c) **Audit Committee of Board**  
The Audit Committee of the Board means a Committee constituted by the Board of Directors of the Bank from time to time under the provisions of Section 177 of the Companies Act, 2013 read with regulation 18 of SEBI (LODR) regulations, 2015 and in pursuance of the directives of Reserve Bank of India.
- d) **Joint venture.**  
Joint Venture means a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.
- e) **Key Managerial Personnel.**  
Key Managerial person shall have the same meaning as defined under Section 2(51) of the Companies Act, 2013.
- f) **Material related party transaction.**  
As per proviso to regulation 23 of SEBI (LODR) regulation, 2015, 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 **“Rupees one thousand Crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.”**

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, **exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.**

**g) Related Party.**

Related Party shall mean a person or entity that is related to the company as defined under:

- (i) Section 2(76) of the Companies Act, 2013
- (ii) Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015 &
- (iii) Accounting Standard 18.

**a. In terms of section 2(76) of the Companies Act, 2013, a related party, with reference to a company, means—**

- i. a director or his relative;
- ii. a key managerial personnel or his relative;
- iii. a firm, in which a director, manager or his relative is a partner;
- iv. a private company in which a director or manager is a member or director;
- v. a public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital;
- vi. anybody 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;
- vii. any person on whose advice, directions or instructions a director or manager is accustomed to act:  
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- viii. any company which is —
  - a) a holding, subsidiary or an associate company of such company; or
  - b) a subsidiary of a holding company to which it is also a subsidiary;
- ix. such other person as may be prescribed;

**b. Regulation 2(1)(zb) SEBI(LODR) Regulation 2015“Related party” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:**

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
  - (i) of twenty per cent or more; or
  - (ii) of ten per cent or more, with effect from April 1, 2023;
 in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;  
 Shall be deemed to be a related party

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

**c. Accounting Standard 18**

**Related party** - parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

**h) Related Party Transaction.**

**As per regulation 2 (ZC) of SEBI** (means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) **a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;** regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

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

**i) Relative.**

Relative means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if -

- (i) They are members of a Hindu undivided family;
- (ii) They are husband and wife; or
- (iii) One person is related to the other in such a manner as may be prescribed.

Rule 4 of Companies (Specification of definitions details) Rules, 2014 has prescribed that a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

- (1) Father **Provided** that the term “Father” includes step-father.
- (2) Mother **Provided** that the term “Mother” includes the step-mother.
- (3) Son **provided** that the term “Son” includes the step-son.
- (4) Son’s wife.
- (5) Daughter.
- (6) Daughter’s husband.
- (7) Brother **Provided** that the term “Brother” includes the step-brother;
- (8) Sister **Provided** that the term “Sister” includes the step-sister.

**j) Subsidiary company or subsidiary.**

As per Section 2 (87) of the Companies Act, 2013 , a subsidiary Company or subsidiary in relation to any other company (that is to say the holding company), means a company in which the holding company-

- (i) Controls the composition of the Board of Directors; or exercises or controls more than one-half of the **total Voting Power** either at its own or together with one or more of its subsidiary companies.

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

**Explanation:** For the purpose of this clause -

- (a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company.

- (b) the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- (c) the expression "company" includes anybody corporate;
- (d) "layer" in relation to a holding company means its subsidiary or subsidiaries;
- k) **Significant influence**  
In terms of explanation appended to section 2 (6) of the Companies Act, 2013, the expression "**Significant influence**" means control of at least twenty percent of total voting power or control of or participation in business decisions under an agreement."
- l) **Turnover**  
As per section 2(91) of the Companies Act, 2013, "**TURNOVER**" means the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year;
- m) **Total share capital.**  
Total Share capital means the aggregate of the paid-up equity share capital of the Bank.
- n) **Material Modifications.**  
Material modifications in relation to a related party transaction means;
  - i) any amendment or waiver, or something supplementing to the existing transaction.
  - ii) a change in actuarial value any amendment, waiver, consent or
  - iii) any modification or supplement or inaction in relation to any specific document.

#### 4. APPROVAL OF RELATED PARTY TRANSACTIONS (Audit Committee).

In terms of section 188 of the Companies Act, 2013 read rule 6 (a) of Companies (Meeting of Board its powers rules, 2015) and Regulation 23 (2) of SEBI (LODR) regulations, 2015, all the transactions of the Bank which are identified as related party transactions and subsequent material modifications should be pre-approved by the independent directors of Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval. The Audit Committee shall after considering the materials placed before them also examine if the transaction is in the ordinary course of business and meets the arm's length transactions.

Provided further that a related party transaction to which the subsidiary of a Bank is a party but the Bank itself is not a party, shall require prior approval of the audit committee of the Bank if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Bank.



However, with effect from April 1, 2023, a related party transaction to which the subsidiary of a Bank is a party but the Bank itself is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

Any member of the Committee who has a potential interest in any related party transaction will recuse himself and abstain from discussion and voting on the approval of the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length transactions, would require approval of the Board of Directors or of shareholders as discussed subsequently.

The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Bank subject to such conditions as may be prescribed.

Audit Committee shall review, on a quarterly basis, the details of related party transactions, if any, entered into by the Bank pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

A related party transaction entered into by the Bank, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

## **5. APPROVAL OF RELATED PARTY TRANSACTIONS (Board of Directors)**

In case any related party transactions are referred by the Bank to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will recuse himself and abstain from discussion and voting on the approval of the related party transaction.

## **6. APPROVAL OF RELATED PARTY TRANSACTIONS (Shareholders)**

As per Regulation 23 (4) of SEBI (LODR) regulation, 2015, If a related party transaction is (i) a material transaction and subsequent material modifications or (ii) not in the ordinary course of business or not at arm's length transactions and exceeds thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by way of ordinary resolution. In such a case, any member of the Bank who is a related party, shall not vote on resolution passed for approving such related party transaction.

## **7. INDUSTRY STANDARDS PRESCRIBED BY INDUSTRY STANDARDS FORUM (ISF)**

It is pertinent to state here that Regulation 23 (2) (3) and (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) require Related Party



Transactions (RPTs) to be approved by the Audit Committee and Shareholders, if material (as discussed herein above). Part A and part B of Section III-B of SEBI Master Circular dated November 11, 2024 specify the information to be placed before the Audit Committee and Shareholders, respectively, for consideration of RPTs.

The Industry standards formulated by Industry Standards Forum (ISF) under the aegis of Stock Exchanges, in consultation with SEBI, for minimum information to be provided for review of the Audit Committee and Shareholders for approval of RPTs is annexed to the policy as Annexure 3. In terms of SEBI circular No SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated February 14, 2025, the listed entities are required to follow the above referred industry standards with effect from April 01, 2025, to ensure compliance with part A and part B of Section III-B of the Master Circular dated November 11, 2024, read with Regulation 23 (2) (3) and (4) of the LODR Regulations.

The Bank shall ensure strict compliance to the above mentioned industry standards while entering into any transaction falling within its ambit.

## **8. TYPE OF RELATED PARTY TRANSACTIONS TO BE COVERED**

In line with the Companies Act, 2013, read with Listing Regulation and RBI Master Circular DBOD.BP.BC.No.8/21.04.018/2014-15 dated July 1, 2014- Disclosure in Financial Statements - Notes to Accounts (Accounting Standard 18), the following transactions will be covered such as:

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

## **9. EXEMPTIONS TO RELATED PARTY TRANSACTIONS.**

In terms of regulation 23(5) of SEBI (LODR) regulations, 2015, the provisions contained in regulation 23 (2) (3) and (4) of SEBI (LODR) regulations 9discussed herein above) do not apply in following cases;

- (a) transactions entered into between two public sector companies;

- (b) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (c) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval
- (d) 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.
- (e) 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

## **10. DISCLOSURES AND REPORTING**

- a) In compliance to regulation 46 of SEBI (LODR) regulation, 2015, the listed entity shall inter alia disseminate under a separate section on its website, the policy on dealing with related party transactions. The necessary disclosure about the Policy will also be made in the Annual Report of the Bank as per requirements of RBI circular and Schedule V of the SEBI (LODR) Regulations, 2015 (Attached as Annexure 1 & 2 respectively).
- b) The Bank shall disclose the details of all material Related Party Transactions on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges under Regulation 27 of the Listing Regulations.
- c) The Bank shall submit disclosures of related party transactions per the periodicity mentioned in SEBI Regulations, 2015.

## **11. OWNERSHIP & REVIEW OF THE POLICY**

The ownership of this policy shall be with Board Secretariat Department. The periodicity of review of policy shall be **3 years**. In the event of any amendment to the statutes/rules/regulatory guidelines applicable to the policy, same shall be deemed to be part of the policy from the effective date of the amendment. Such changes shall be incorporated in the policy immediately with the approval of MD & CEO and brought to the notice of Board and /or its relevant Committee (s), in the form of an information item, in the meeting that immediately follows. The responsibility for updating the policy shall be that of the owner Department.

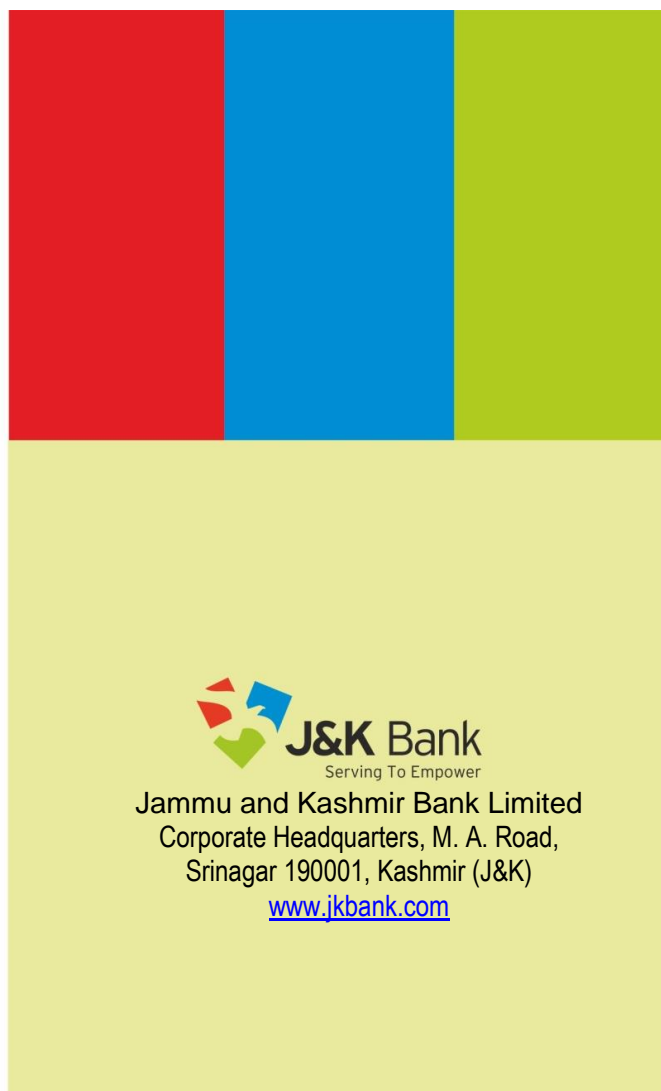
Where a change in policy is necessitated by exigencies like developments in industry practice, market needs etc., same shall be placed before the Board and/or its relevant Committee(s) for review and approval, before they become a part of the policy.

### **Annexures 1, 2 & 3**

Annexure 1: RBI Circular

Annexure 2: Schedule V of the SEBI (LODR) Regulations, 2015

Annexure 3: Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)”





**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**  
 www.rbi.org.in

**RBI/2014-15/60**

**DBOD.BP.BC No.8/21.04.018/2014-15**

**July 1, 2014**

The Chairmen/Chief Executives of  
 All Commercial Banks  
 (excluding RRBs)

Dear Sir,

**Master Circular - Disclosure in Financial Statements - Notes to Accounts**

Please refer to the [Master Circular DBOD.BP.BC.No.7/21.04.018/2013-14 dated July 1, 2013](#) consolidating all operative instructions issued to banks till June 30, 2013 on matters relating to disclosures in the 'Notes to Accounts' to the Financial Statements. The Master Circular has now been suitably updated by incorporating instructions issued upto June 30, 2014. The Master Circular has also been placed on the RBI web-site (<http://www.rbi.org.in>).

2. It may be noted that all relevant instructions on the above subject contained in the circulars listed in the Annex have been consolidated. In addition, disclosure requirements contained in "Master Circular on Basel III Capital Regulations" will be applicable.

Yours faithfully,

(Rajesh Verma)  
 Chief General Manager-in-Charge

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 12 वीं और 13 वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001  
 दूरभाष: 022-2266 1602, 2260 1000 फैक्स: 022-2270 5670, 2260 5671, 5691 2270, 2260 5692

Department of Banking Operations and Development, Central Office, 12<sup>th</sup> and 13<sup>th</sup> Floor, Central Office Building, Shahid Bhagat Singh Marg, Fort, Mumbai- 400 001  
 Tel: 022-2266 1602, 2260 1000 Fax: 022-2270 5670, 2270 5671, 2270 5691, 2270 5692

हिंदी आसान है इसका प्रयोग बढ़ाइए

## **Purpose**

To provide a detailed guidance to banks in the matter of disclosures in the 'Notes to Accounts' to the Financial Statements.

## **Classification**

A statutory guideline issued by the Reserve Bank of India under Section 35A of the Banking Regulation Act 1949.

## **Previous Guidelines superseded**

Master Circular on 'Disclosure in Financial Statements – Notes to Accounts' issued vide [DBOD.BP.BC No.7/21.04.018/2012-13 dated July 1, 2013](#).

## **Scope of application**

To all scheduled commercial banks (excluding RRBs).

## **Structure**

1	Introduction
2.1	Presentation
2.2	Minimum Disclosures
2.3	Summary of Significant Accounting Policies
2.4	Disclosure Requirements
3.1	Capital
3.2	Investments
3.2.1	Repo Transactions
3.2.2	Non-SLR Investment Portfolio
3.2.3	Sale and Transfers to/ from HTM Category
3.3	Derivatives
3.3.1	Forward Rate Agreement/ Interest Rate Swap
3.3.2	Exchange Traded Interest Rate Derivatives
3.3.3	Disclosures on risk exposure in derivatives
3.4	Asset Quality
3.4.1	Non-Performing Asset
3.4.2	Particulars of Accounts Restructured
3.4.3	Details of financial assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction
3.4.4	Details of non performing asset purchased/sold
3.4.5	Provisions on Standard Assets

3.5	Business Ratio
3.6	Asset Liability Management - Maturity pattern of certain items of assets and liabilities
3.7	Exposures
3.7.1	Exposure to Real Estate Sector
3.7.2	Exposure to Capital Market
3.7.3	Risk Category wise Country Exposure
3.7.4	Details of Single Borrower Limit (SGL), Group Borrower Limit (GBL) exceeded by the bank
3.7.5	Unsecured advances
3.8	Disclosure of Penalties imposed by RBI
4.	Disclosure Requirements as per Accounting Standards where RBI has issued guidelines
4.1	Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies
4.2	Accounting Standard 9 – Revenue Recognition
4.3	Accounting Standard 15 – Employee Benefits
4.4	Accounting Standard 17 – Segment Reporting
4.5	Accounting Standard 18 – Related Party Disclosures
4.6	Accounting Standard 21- Consolidated Financial Statements
4.7	Accounting Standard 22 – Accounting for Taxes on Income
4.8	Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements
4.9	Accounting Standard 24 – Discontinuing Operations
4.10	Accounting Standard 25 – Interim Financial Reporting
4.11	Other Accounting Standards
5.	Additional Disclosures
5.1	Provisions and contingencies
5.2	Floating Provisions
5.3	Draw Down from Reserves
5.4	Disclosure of Complaints
5.5	Disclosure of Letters of Comfort (LoCs) issued by banks
5.6	Provisioning Coverage Ratio (PCR)
5.7	Bancassurance Business
5.8	Concentration of Deposits, Advances, Exposures and NPAs
5.9	Sector-wise advances
5.10	Movement of NPAs

5.11	Overseas Assets, NPAs and Revenue
5.12	Off-balance Sheet SPVs sponsored
5.13	Unamortised Pension and Gratuity Liabilities
5.14	Disclosures on Remuneration
5.15	Disclosures relating to Securitisation
5.16	Credit Default Swaps
5.17	Intra-Group Exposures
5.18	Transfers to Depositor Education and Awareness Fund (DEAF)
5.19	Unhedged Foreign Currency Exposure
6	Liquidity Coverage Ratio
Annex	List of Circulars consolidated by the Master Circular



## **1. Introduction**

The users of the financial statements need information about the financial position and performance of the bank in making economic decisions. They are interested in its liquidity and solvency and the risks related to the assets and liabilities recognised on its balance sheet and to its off balance sheet items. In the interest of full and complete disclosure, some very useful information is better provided, or can only be provided, by notes to the financial statements. The use of notes and supplementary information provides the means to explain and document certain items, which are either presented in the financial statements or otherwise affect the financial position and performance of the reporting enterprise. Recently, a lot of attention has been paid to the issue of market discipline in the banking sector. Market discipline, however, works only if market participants have access to timely and reliable information, which enables them to assess banks' activities and the risks inherent in these activities. Enabling market discipline may have several benefits. Market discipline has been given due importance under Basel II framework on capital adequacy by recognizing it as one of its three Pillars.

### **2.1 Presentation**

Summary of Significant Accounting Policies' and 'Notes to Accounts' may be shown under Schedule 17 and Schedule 18 respectively, to maintain uniformity.

### **2.2 Minimum Disclosures**

At a minimum, the items listed in the circular should be disclosed in the 'Notes to Accounts'. Banks are also encouraged to make more comprehensive disclosures than the minimum required under the circular if they become significant and aid in the understanding of the financial position and performance of the bank. The disclosure listed is intended only to supplement, and not to replace, other disclosure requirements under relevant legislation or accounting and financial reporting standards. Where relevant, a bank should comply with such other disclosure requirements as applicable.

### **2.3 Summary of Significant Accounting Policies**

Banks should disclose the accounting policies regarding key areas of operations at one place (under Schedule 17) along with Notes to Accounts in their financial statements. A suggestive list includes - Basis of Accounting, Transactions involving Foreign Exchange, Investments – Classification, Valuation, etc, Advances and Provisions thereon, Fixed

Assets and Depreciation, Revenue Recognition, Employee Benefits, Provision for Taxation, Net Profit, etc.

## 2.4 Disclosure Requirements

In order to encourage market discipline, Reserve Bank has over the years developed a set of disclosure requirements which allow the market participants to assess key pieces of information on capital adequacy, risk exposures, risk assessment processes and key business parameters which provide a consistent and understandable disclosure framework that enhances comparability. Banks are also required to comply with the Accounting Standard 1 (AS 1) on Disclosure of Accounting Policies issued by the Institute of Chartered Accountants of India (ICAI). The enhanced disclosures have been achieved through revision of Balance Sheet and Profit & Loss Account of banks and enlarging the scope of disclosures to be made in “Notes to Accounts”. In addition to the 16 detailed prescribed schedules to the balance sheet, banks are required to furnish the following information in the “Notes to Accounts”:

### 3.1 Capital

(Amount in ₹ crore)			
Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital ratio (%)		
ii)	Tier 1 capital ratio (%)		
iii)	Tier 2 capital ratio (%)		
iv)	Total Capital ratio (CRAR) (%)		
v)	Percentage of the shareholding of the Government of India in public sector banks		
vi)	Amount of equity capital raised		
vii)	Amount of Additional Tier 1 capital raised; <i>of which</i> PNCPS: PDI:		
viii)	Amount of Tier 2 capital raised; <i>of which</i> Debt capital instrument: Preference Share Capital Instruments: [ <i>Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)</i> ]		

### 3.2 Investments

		(Amount in ₹ crore)	
<i>Particulars</i>		<i>Current Year</i>	<i>Previous Year</i>
(1) Value of Investments			
(i) Gross Value of Investments			
(a) In India			
(b) Outside India			
(ii) Provisions for Depreciation			
(a) In India			
(b) Outside India			
(iii) Net Value of Investments			
(a) In India			
(b) Outside India			
(2) Movement of provisions held towards depreciation on investments.			
(i) Opening balance			
(ii) Add: Provisions made during the year			
(iii) Less: Write-off/ write-back of excess provisions during the year			
(iv) Closing balance			

#### 3.2.1 Repo Transactions (in face value terms)

(Amount in ₹ crore)				
	<i>Minimum outstanding during the year</i>	<i>Maximum outstanding during the year</i>	<i>Daily Average outstanding during the year</i>	<i>Outstanding as on March 31</i>
Securities sold under repo				
i. Government securities				
ii. Corporate debt securities				
Securities purchased under reverse repo				
i. Government securities				
ii. Corporate debt securities				

### 3.2.2. Non-SLR Investment Portfolio

#### i) Issuer composition of Non SLR investments

(Amount in ₹ crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs					
(ii)	FIs					
(iii)	Banks					
(iv)	Private Corporates					
(v)	Subsidiaries/ Joint Ventures					
(vi)	Others					
(vii)	Provision held towards depreciation		X X X	X X X	X X X	X X X
	Total *					

Note: (1) \*Total under column 3 should tally with the total of Investments included under the following categories in Schedule 8 to the balance sheet:

- a) Shares
- b) Debentures & Bonds
- c) Subsidiaries/joint ventures
- d) Others

(2) Amounts reported under columns 4, 5, 6 and 7 above may not be mutually exclusive.

#### ii) Non performing Non-SLR investments

(Amount in ₹ crore)

Particulars	
Opening balance	
Additions during the year since 1st April	
Reductions during the above period	
Closing balance	
Total provisions held	

### 3.2.3 Sale and Transfers to/ from HTM Category

If the value of sales and transfers of securities to / from HTM category exceeds 5 per cent of the book value of investments held in HTM category at the beginning of the year, bank should disclose the market value of the investments held in the HTM category and indicate the excess of book value over market value for which provision is not made. This disclosure is required to be made in 'Notes to Accounts' in banks' audited Annual Financial Statements. The 5 per cent threshold referred to above will exclude the one -

time transfer of securities to / from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year and sales to the Reserve Bank of India under pre-announced OMO auctions. Further, the repurchase of Government securities by Government of India from banks will also be excluded from the 5 per cent cap of HTM.

### 3.3 Derivatives

#### 3.3.1 Forward Rate Agreement/ Interest Rate Swap

		(Amount in ₹ crore)	
	Particulars	Current year	Previous year
i)	The notional principal of swap agreements		
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements		
iii)	Collateral required by the bank upon entering into swaps		
iv)	Concentration of credit risk arising from the swaps \$		
v)	The fair value of the swap book @		

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.

@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the bank would receive or pay to terminate the swap agreements as on the balance sheet date. For a trading swap the fair value would be its mark to market value.

#### 3.3.2 Exchange Traded Interest Rate Derivatives

		(Amount in ₹ crore)	
S.No.	Particulars		
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise) a) b) c)		
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March ..... (instrument-wise) a) b) c)		
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise) a) b) c)		
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise) a) b) c)		

### 3.3.3 Disclosures on risk exposure in derivatives

#### Qualitative Disclosure

Banks shall discuss their risk management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served. The discussion shall also include:

- a) the structure and organization for management of risk in derivatives trading,
- b) the scope and nature of risk measurement, risk reporting and risk monitoring systems,
- c) policies for hedging and/ or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and
- d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.

#### Quantitative Disclosures

(Amount in ₹ crore)

Sl. No	Particular	Currency Derivatives	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging		
	b) For trading		
(ii)	Marked to Market Positions [1]		
	a) Asset (+)		
	b) Liability (-)		
(iii)	Credit Exposure [2]		
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives		
	b) on trading derivatives		
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) on hedging		
	b) on trading		

### 3.4 Asset Quality

#### 3.4.1 Non-Performing Assets

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)		
(ii) Movement of NPAs (Gross)		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iii) Movement of Net NPAs		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance		
(b) Provisions made during the year		
(c) Write-off/ write-back of excess provisions		
(d) Closing balance		

#### 3.4.2 Particulars of Accounts Restructured

(Amount in ₹ crore)

SI No	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification →		St-an-da-rd	Su-bSt-and-ard	Do-ubt-ful	Lo-ss	To-tal	St-an-da-rd	Su-bSt-and-ard	Do-ubt-ful	Lo-ss	To-tal	St-an-da-rd	Su-bSt-and-ard	Do-ubt-ful	Lo-ss	To-tal	St-an-da-rd	Su-bSt-and-ard	Do-ubt-ful	Lo-ss	To-tal
	Details ↓																					
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				



Sl No	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
	Asset Classification →		St- an- dard	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal	St- an- dard	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal	St- an- dard	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal	St- an- dard	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal	
	Details ↓																						
2	Fresh restru- cturing during the year	No. of borro- wers																					
		Amount outst- anding																					
		Prov- ision there- on																					
3	Upgra- dations to restru- ctured standard category during the FY	No. of borro- wers																					
		Amount outst- anding																					
		Prov- ision there- on																					
4	Restr- uctured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restru- ctured standard advances at the beginning of the next FY	No. of borro- wers																					
		Amount outst- anding																					
		Prov- ision there- on																					
5	Downgr- adations of restru- ctured accounts during the FY	No. of borro- wers																					
		Amount outst- anding																					
		Prov- ision there- on																					
6	Write-offs of restru- ctured accounts during the FY	No. of borro- wers																					
		Amount outst- anding																					
7	Restr- uctured Accounts as on March 31 of the FY (closing	No. of borro- wers																					
		Amount outst- anding																					

Sl No	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification →		St- an- da- rd	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal	St- an- da- rd	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal	St- an- da- rd	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal	St- an- da- rd	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal
	Details ↓																					
	figures*)	Prov- ision there- on																				

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

For the purpose of disclosure in the above Format, the following instructions are required to be followed:

- (i) Advances restructured under CDR Mechanism, SME Debt Restructuring Mechanism and other categories of restructuring should be shown separately.
- (ii) Under each of the above categories, restructured advances under their present asset classification, i.e. standard, sub-standard, doubtful and loss should be shown separately.
- (iii) Under the 'standard' restructured accounts; accounts, which have objective evidence of no longer having inherent credit weakness, need not be disclosed. For this purpose, an objective criteria for accounts not having inherent credit weakness is discussed below :

(a) As regards restructured accounts classified as standard advances, in view of the inherent credit weakness in such accounts, banks are required to make a general provision higher than what is required for otherwise standard accounts in the first two years from the date of restructuring. In case of moratorium on payment of interest / principal after restructuring, such advances attract the higher general provision for the period covering moratorium and two years thereafter.

(b) Further, restructured standard unrated corporate exposures and housing loans are also subjected to an additional risk weight of 25 percentage point with a view to reflect the higher element of inherent risk which may be latent in such entities (cf. paragraph 5.8.3 of [circular DBOD.No.BP.BC.90/20.06.001/2006-07 dated April 27, 2007](#) on 'Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework' and paragraph 4 of [circular DBOD.No.BP.BC.76/21.04.0132/2008-09 dated November 3, 2008](#) on 'Prudential Guidelines on Restructuring of Advances by Banks' respectively).

(c) The aforementioned [(a) and (b)] additional / higher provision and risk weight cease to be applicable after the prescribed period if the performance is as per the

rescheduled programme. However, the diminution in the fair value will have to be assessed on each balance sheet date and provision should be made as required.

(d) Restructured accounts classified as sub-standard and doubtful (non-performing) advances, when upgraded to standard category also attract a general provision higher than what is required for otherwise standard accounts for the first year from the date of up-gradation, in terms of extant guidelines on provisioning requirement of restructured accounts. This higher provision ceases to be applicable after one year from the date of upgradation if the performance of the account is as per the rescheduled programme. However, the diminution in the fair value will have to be assessed on each balance sheet date and provision made as required.

(e) Once the higher provisions and / or risk weights (if applicable and as prescribed from time to time by RBI) on restructured standard advances revert to the normal level on account of satisfactory performance during the prescribed periods as indicated above, such advances, henceforth, would no longer be required to be disclosed by banks as restructured standard accounts in the "Notes on Accounts" in their Annual Balance Sheets. However, banks should keep an internal record of such restructured accounts till the provisions for diminution in fair value of such accounts are maintained.

- (iv) Disclosures should also indicate the intra category movements both on upgradation of restructured NPA accounts as well as on slippage. These disclosures would show the movement in restructured accounts during the financial year on account of addition, upgradation, downgradation, write off, etc.
- (v) While disclosing the position of restructured accounts, banks must disclose the total amount outstanding in all the accounts / facilities of borrowers whose accounts have been restructured along with the restructured part or facility. This means that even if only one of the facilities / accounts of a borrower has been restructured, the bank should also disclose the entire outstanding amount pertaining to all the facilities / accounts of that particular borrower.
- (vi) Upgradation during the year (SI No. 3 in the Disclosure Format) means movement of 'restructured NPA' accounts to 'standard asset classification from substandard or doubtful category' as the case may be. These will attract higher provisioning and / or risk weight' during the 'prescribed period' as prescribed from time to time. Movement from one category into another will be indicated by a (-) and a (+) sign respectively in the relevant category.

- (vii) Movement of Restructured standard advances (Sr. No. 4 in the Disclosure Format) out of the category into normal standard advances will be indicated by a (-) sign in the column "Standard".
- (viii) Downgradation from one category to another would be indicated by (-) ve and (+) ve sign in the relevant categories.
- (ix) Upgradation, downgradation and write-offs are from their existing asset classifications.
- (x) All disclosures are on the basis of current asset classification and not 'pre-restructuring' asset classification.
- (xi) Additional/fresh sanctions made to an existing restructured account can be shown under Sr. No. 2 'Fresh Restructuring during the year' with a footnote stating that the figures under Sr. No.2 include Rs. xxx crore of fresh/additional sanction (number of accounts and provision thereto also) to existing restructured accounts. Similarly, reductions in the quantity of restructured accounts can be shown under Sr.No.6 'write-offs of restructured accounts during the year' with a footnote stating that that it includes Rs. xxx crore (no. of accounts and provision thereto also) of reduction from existing restructured accounts by way of sale / recovery.
- (xii) Closing balance as on March 31st of a FY should tally arithmetically with opening balance as on April 1st of the FY + Fresh Restructuring during the year including additional /fresh sanctions to existing restructured accounts + Adjustments for movement across asset categories – Restructured standard advances which cease to attract higher risk weight and/or provision – reductions due to write-offs/sale/recovery, etc. However, if due to some unforeseen/ any other reason, arithmetical accuracy is not achieved, then the difference should be reconciled and explained by way of a foot-note.

### 3.4.3 Details of financial assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction

(Amount in ₹ crore)		
<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
(i) No. of accounts		
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain/loss over net book value		

### 3.4.4 Details of non-performing financial assets purchased/sold

Banks which purchase non-performing financial assets from other banks shall be required to make the following disclosures in the Notes to Accounts to their Balance sheets:

#### A. Details of non-performing financial assets purchased:

(Amount in ₹ crore)		
<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
1. (a) No. of accounts purchased during the year		
(b) Aggregate outstanding		
2. (a) Of these, number of accounts restructured during the year		
(b) Aggregate outstanding		

#### B. Details of non-performing financial assets sold:

(Amount in ₹ crore)		
<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
1. No. of accounts sold		
2. Aggregate outstanding		
3. Aggregate consideration received		

With a view to incentivising banks to recover appropriate value in respect of their NPAs promptly, henceforth, banks can reverse the excess provision on sale of NPA if the sale is for a value higher than the net book value (NBV) to its profit and loss account in the year the amounts are received. Further, as an incentive for early sale of NPAs, banks can spread over any shortfall, if the sale value is lower than the NBV, over a period of

two years. This facility of spreading over the shortfall would however be available for NPAs sold up to March 31, 2015 and will be subject to necessary disclosures in the Notes to Account.

### 3.4.5 Provisions on Standard Assets

(Amount in ₹ crore)

Particulars	Current year	Previous Year
Provisions towards Standard Assets		

Note: Provisions towards Standard Assets need not be netted from gross advances but shown separately as 'Provisions against Standard Assets', under 'Other Liabilities and Provisions - Others' in Schedule No. 5 of the balance sheet.

### 3.5. Business Ratios

Particulars	Current year	Previous Year
(i) Interest Income as a percentage to Working Funds \$		
(ii) Non-interest income as a percentage to Working Funds		
(iii) Operating Profit as a percentage to Working Funds \$		
(iv) Return on Assets@		
(v) Business (Deposits plus advances) per employee # (₹ in crore)		
(vi) Profit per employee (₹ in crore)		

\$ Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.

@ 'Return on Assets would be with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).

# For the purpose of computation of business per employee (deposits plus advances) inter bank deposits may be excluded.

### 3.6 Asset Liability Management

#### Maturity pattern of certain items of assets and liabilities

(Amount in ₹ crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 month	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits											
Advances											
Investments											
Borrowings											
Foreign Currency											

	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 month	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
assets											
Foreign Currency liabilities											

### 3.7 Exposures

#### 3.7.1 Exposure to Real Estate Sector

(Amount in ₹ crore)

Category	Current year	Previous Year
<p>a) <i>Direct exposure</i></p> <p>(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately)</p> <p>(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;</p> <p>(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – a. Residential, b. Commercial Real Estate.</p> <p>b) <i>Indirect Exposure</i> Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).</p>		
Total Exposure to Real Estate Sector		

#### 3.7.2 Exposure to Capital Market

(Amount in ₹ crore)

Particulars	Current year	Previous Year
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;		
(ii) advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including		



<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; (iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; (iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds `does not fully cover the advances; (v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; (vi) loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; (vii) bridge loans to companies against expected equity flows/issues; (viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds; (ix) financing to stockbrokers for margin trading; (x) all exposures to Venture Capital Funds (both registered and unregistered)		
Total Exposure to Capital Market		

For restructuring of dues in respect of listed companies, lenders may be abinitio compensated for their loss / sacrifice (diminution in fair value of account in net present value terms) by way of issuance of equities of the company upfront, subject to the extant regulations and statutory requirements. If such acquisition of equity shares results in exceeding the extant regulatory Capital Market Exposure (CME) limit, the same should be disclosed in the Notes to Accounts in the Annual Financial Statements.

### 3.7.3 Risk Category wise Country Exposure

(Amount in ₹ crore)

<i>Risk Category*</i>	<i>Exposure (net) as at March... (Current Year)</i>	<i>Provision held as at March... (Current Year)</i>	<i>Exposure (net) as at March... (Previous Year)</i>	<i>Provision held as at March... (Previous Year)</i>
Insignificant				
Low				
Moderate				
High				
Very High				

<i>Risk Category*</i>	<i>Exposure (net) as at March... (Current Year)</i>	<i>Provision held as at March... (Current Year)</i>	<i>Exposure (net) as at March... (Previous Year)</i>	<i>Provision held as at March... (Previous Year)</i>
Restricted				
Off-credit				
Total				

\*Till such time, as banks move over to internal rating systems, banks may use the seven category classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification and making provisions for country risk exposures. ECGC shall provide to banks, on request, quarterly updates of their country classifications and shall also inform all banks in case of any sudden major changes in country classification in the interim period.

#### **3.7.4 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the bank.**

The bank should make appropriate disclosure in the 'Notes to Account' to the annual financial statements in respect of the exposures where the bank had exceeded the prudential exposure limits during the year. The sanctioned limit or entire outstanding, whichever is high, shall be reckoned for arriving at exposure limit and for disclosure purpose.

#### **3.7.5 Unsecured Advances**

In order to enhance transparency and ensure correct reflection of the unsecured advances in Schedule 9 of the banks' balance sheet, it is advised as under:

- a) For determining the amount of unsecured advances for reflecting in Schedule 9 of the published balance sheet, the rights, licenses, authorisations, etc., charged to the banks as collateral in respect of projects (including infrastructure projects) financed by them, should not be reckoned as tangible security. Hence such advances shall be reckoned as unsecured.
- b) Banks should also disclose the total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral. The disclosure may be made under a separate head in "Notes to Accounts". This would differentiate such loans from other entirely unsecured loans.

### **3.8 Disclosure of Penalties imposed by RBI**

At present, Reserve Bank is empowered to impose penalties on a commercial bank under the provision of Section 46 (4) of the Banking Regulation Act, 1949, for contraventions of any of the provisions of the Act or non-compliance with any other requirements of the Banking Regulation Act, 1949; order, rule or condition specified by

Reserve Bank under the Act. Consistent with the international best practices in disclosure of penalties imposed by the regulator, placing the details of the levy of penalty on a bank in public domain will be in the interests of the investors and depositors. Further, strictures or directions on the basis of inspection reports or other adverse findings should also be placed in the public domain. The penalty should also be disclosed in the "Notes to Accounts" to the Balance Sheet.

**4. Disclosure Requirements as per Accounting Standards where RBI has issued guidelines in respect of disclosure items for 'Notes to Accounts':**

**4.1 Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies.**

Since the format of the profit and loss account of banks prescribed in Form B under Third Schedule to the Banking Regulation Act 1949 does not specifically provide for disclosure of the impact of prior period items on the current year's profit and loss, such disclosures, wherever warranted, may be made in the 'Notes to Accounts' to the balance sheet of banks.

**4.2 Accounting Standard 9 – Revenue Recognition**

This Standard requires that in addition to the disclosures required by Accounting Standard 1 on 'Disclosure of Accounting Policies' (AS 1), an enterprise should also disclose the circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

**4.3 Accounting Standard 15 – Employee Benefits**

Banks may follow the disclosure requirements prescribed under AS 15 (revised) on 'Employee Benefits' issued by ICAI.

**4.4 Accounting Standard 17 – Segment Reporting**

While complying with the above Accounting Standard, banks are required to adopt the following:

- a) The business segment should ordinarily be considered as the primary reporting format and geographical segment would be the secondary reporting format.
- b) The business segments will be 'Treasury', 'Corporate/Wholesale Banking', 'Retail Banking' and 'Other banking operations'.
- c) 'Domestic' and 'International' segments will be the geographic segments for disclosure.

- d) Banks may adopt their own methods, on a reasonable and consistent basis, for allocation of expenditure among the segments.

**Accounting Standard 17 - Format for disclosure under segment reporting**

**Part A: Business segments**

(Amounts in ₹ crore)

Business Segments →	Treasury		Corporate /Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars ↓	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue										
Result										
Unallocated expenses										
Operating profit										
Income taxes										
Extraordinary profit/ loss										
Net profit										
Other information:										
Segment assets										
Unallocated assets										
Total assets										
Segment liabilities										
Unallocated liabilities										
Total liabilities										

**Note:** No disclosure need be made in the shaded portion

**Part B: Geographic segments**

(Amount in ₹ crore)

	<i>Domestic</i>		<i>International</i>		<i>Total</i>	
	<i>Current Year</i>	<i>Previous Year</i>	<i>Current Year</i>	<i>Previous Year</i>	<i>Current Year</i>	<i>Previous Year</i>
Revenue						
Assets						

**4.5 Accounting Standard 18 – Related Party Disclosures**

This Standard is applied in reporting related party relationships and transactions between a reporting enterprise and its related parties. The illustrative disclosure format recommended by the ICAI as a part of General Clarification (GC) 2/2002 has been suitably modified to suit banks. The illustrative format of disclosure by banks for the AS 18 is furnished below:

**Accounting Standard 18 - Format for Related Party Disclosures**

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

(Amount in ₹ crore)						
<i>Items/Related Party</i>	<i>Parent (as per ownership or control)</i>	<i>Subsidiaries</i>	<i>Associates / Joint ventures</i>	<i>Key Management Personnel @</i>	<i>Relatives of Key Management Personnel</i>	<i>Total</i>
Borrowings #						
Deposit#						
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*						

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

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

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

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

**Illustrative disclosure of names of the related parties and their relationship with the bank**

- |  |                        |
|--|------------------------|
| 1. Parent                                | A Ltd                  |
| 2. Subsidiaries                          | B Ltd and C Ltd        |
| 3. Associates                            | P Ltd, Q Ltd and R Ltd |
| 4. Jointly controlled entity             | L Ltd                  |
| 5. Key Management Personnel              | Mr.M and Mr.N          |
| 6. Relatives of Key Management Personnel | Mr.D and Mr.E          |

#### **4.6 Accounting Standard 21 – Consolidated Financial Statements (CFS)**

As regards disclosures in the 'Notes to Accounts' to the Consolidated Financial Statements, banks may be guided by general clarifications issued by Institute of Chartered Accountants of India from time to time.

A parent company, presenting the CFS, should consolidate the financial statements of all subsidiaries - domestic as well as foreign, except those specifically permitted to be excluded under the AS-21. The reasons for not consolidating a subsidiary should be disclosed in the CFS. The responsibility of determining whether a particular entity should be included or not for consolidation would be that of the Management of the parent entity. In case, its Statutory Auditors are of the opinion that an entity, which ought to have been consolidated, has been omitted, they should incorporate their comments in this regard in the "Auditors Report".

#### **4.7 Accounting Standard 22 – Accounting for Taxes on Income**

This Standard is applied in accounting for taxes on income. This includes the determination of the amount of the expense or saving related to taxes on income in respect of an accounting period and the disclosure of such an amount in the financial statements. Adoption of AS 22 may give rise to creation of either a deferred tax asset (DTA) or a deferred tax liability (DTL) in the books of accounts of banks and creation of DTA or DTL would give rise to certain issues which have a bearing on the computation of capital adequacy ratio and banks' ability to declare dividends. In this regard it is clarified as under:

- DTL created by debit to opening balance of Revenue Reserves on the first day of application of the Accounting Standards 22 or to Profit and Loss account for the current year should be included under item (vi) 'others (including provisions)' of Schedule 5 - 'Other Liabilities and Provisions' in the balance sheet. The balance in DTL account will not be eligible for inclusion in Tier I or Tier II capital for capital adequacy purpose as it is not an eligible item of capital.
- DTA created by credit to opening balance of Revenue Reserves on the first day of application of Accounting Standards 22 or to Profit and Loss account for the current year should be included under item (vi) 'others' of Schedule 11 'Other Assets' in the balance sheet.
- The DTA computed as under should be deducted from Tier I capital:
  - i) DTA associated with accumulated losses; and

- ii) The DTA (excluding DTA associated with accumulated losses), net of DTL. Where DTL is in excess of the DTA (excluding DTA associated with accumulated losses), the excess shall neither be adjusted against item (i) nor added to Tier I capital.

The matter regarding creation of DTL on Special Reserve under Section 36(1)(viii) (hereinafter referred to as Special Reserve) of the Income Tax Act, 1961 was examined and banks were advised that, as a matter of prudence, DTL should be created on such Special Reserve. If the expenditure due to the creation of DTL on Special Reserve as at March 31, 2013 has not been fully charged to the Profit and Loss account, banks may adjust the same directly from Reserves. The amount so adjusted may be appropriately disclosed in the Notes to Accounts of the financial statements for the financial year 2013-14. DTL for amounts transferred to Special Reserve from the year ending March 31, 2014 onwards should be charged to the Profit and Loss Account of that year.

#### **4.8 Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements**

This Accounting Standard sets out principles and procedures for recognising, in the consolidated financial statements, the effects of the investments in associates on the financial position and operating results of a group. A bank may acquire more than 20% of voting power in the borrower entity in satisfaction of its advances and it may be able to demonstrate that it does not have the power to exercise significant influence since the rights exercised by it are protective in nature and not participative. In such a circumstance, such investment may not be treated as investment in associate under this Accounting Standard. Hence the test should not be merely the proportion of investment but the intention to acquire the power to exercise significant influence.

#### **4.9 Accounting Standard 24 – Discontinuing Operations**

Merger/ closure of branches of banks by transferring the assets/ liabilities to the other branches of the same bank may not be deemed as a discontinuing operation and hence this Accounting Standard will not be applicable to merger / closure of branches of banks by transferring the assets/ liabilities to the other branches of the same bank.

Disclosures would be required under the Standard only when:

- a) discontinuing of the operation has resulted in shedding of liability and realisation of the assets by the bank or  
decision to discontinue an operation which will have the above effect has been finalised by the bank and



- b) the discontinued operation is substantial in its entirety.

#### 4.10 Accounting Standard 25 – Interim Financial Reporting

The half yearly review prescribed by RBI for public sector banks, in consultation with SEBI, vide circular DBS. ARS. No. BC 13/ 08.91.001/ 2000-01 dated 17<sup>th</sup> May 2001 is extended to all banks (both listed and unlisted) with a view to ensure uniformity in disclosures. Banks may also refer to circulars DBS.ARS.No.BC.4/08.91.001/2001-02 dated October 25, 2001 and DBS.ARS.No.BC.17/08.91.001/2002-03 dated June 5, 2003 and adopt the format prescribed by the RBI for the purpose.

#### 4.11 Other Accounting Standards

Banks are required to comply with the disclosure norms stipulated under the various Accounting Standards issued by the Institute of Chartered Accountants of India.

### 5. Additional Disclosures

#### 5.1 Provisions and Contingencies

To facilitate easy reading of the financial statements and to make the information on all Provisions and Contingencies available at one place, banks are required to disclose in the 'Notes to Accounts' the following information:

(Amount in ₹ crore)		
<i>Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account</i>	<i>Current Year</i>	<i>Previous Year</i>
Provisions for depreciation on Investment		
Provision towards NPA		
Provision made towards Income tax		
Other Provision and Contingencies (with details)		

#### 5.2 Floating Provisions

Banks should make comprehensive disclosures on floating provisions in the "Notes to Accounts" to the balance sheet as follows:

(Amount in ₹ crore)		
<i>Particulars</i>	<i>Current year</i>	<i>Previous year</i>
(a) Opening balance in the floating provisions account		
(b) The quantum of floating provisions made in the accounting year		
(c) Amount of draw down made during the accounting year		
(d) Closing balance in the floating provisions account		

Note: The purpose of draw down made during the accounting year may be mentioned

### 5.3 Draw Down from Reserves

Suitable disclosures are to be made regarding any draw down of reserves in the 'Notes to Accounts' to the Balance Sheet.

### 5.4 Disclosure of complaints

Banks are also advised to disclose the following brief details along with their financial results.

#### A. Customer Complaints

(a)	No. of complaints pending at the beginning of the year	
(b)	No. of complaints received during the year	
(c)	No. of complaints redressed during the year	
(d)	No. of complaints pending at the end of the year	

#### B. Awards passed by the Banking Ombudsman

(a)	No. of unimplemented Awards at the beginning of the year	
(b)	No. of Awards passed by the Banking Ombudsmen during the year	
(c)	No. of Awards implemented during the year	
(d)	No. of unimplemented Awards at the end of the year	

It is clarified that banks should include all customer complaints pertaining to Automated Teller Machine (ATM) cards issued by them in the disclosure format specified above. Where the card issuing bank can specifically attribute ATM related customer complaints to the acquiring bank, the same may be clarified by way of a note after including the same in the total number of complaints received.

### 5.5 Disclosure of Letters of Comfort (LoCs) issued by banks

Banks should disclose full particulars of all the Letters of Comfort (LoCs) issued by them during the year, including their assessed financial impact, as also their assessed cumulative financial obligations under the LoCs issued by them in the past and outstanding, in its published financial statements, as part of the 'Notes to Accounts'.

### 5.6 Provisioning Coverage Ratio (PCR)

The PCR (ratio of provisioning to gross non-performing assets) should be disclosed in the Notes to Accounts to the Balance Sheet.

## 5.7 Bancassurance Business

Banks should disclose in the 'Notes to Accounts', from the year ending March 31, 2010, the details of fees/remuneration received in respect of the bancassurance business undertaken by them.

## 5.8 Concentration of Deposits, Advances, Exposures and NPAs

### 5.8.1 Concentration of Deposits

(Amount in ₹ crore)	
Total Deposits of twenty largest depositors	
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	

### 5.8.2 Concentration of Advances\*

(Amount in ₹ crore)	
Total Advances to twenty largest borrowers	
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	

\*Advances should be computed as per definition of Credit Exposure including derivatives furnished in our Master Circular on Exposure Norms.

### 5.8.3 Concentration of Exposures\*\*

(Amount in ₹ crore)	
Total Exposure to twenty largest borrowers/customers	
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	

\*\*Exposures should be computed based on credit and investment exposure as prescribed in our Master Circular on Exposure Norms.

### 5.8.4 Concentration of NPAs

(Amount in ₹ crore)	
Total Exposure to top four NPA accounts	

## 5.9 Sector-wise advances

(Amounts in ₹ crore)

Sl. No.	Sector*	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture and allied activities						
2	Advances to industries sector eligible as priority sector lending						
3	Services						
4	Personal loans						
	Sub-total (A)						
<b>B</b>	<b>Non Priority Sector</b>						
1	Agriculture and allied activities						
2	Industry						
3	Services						
4	Personal loans						
	Sub-total (B)						
	Total (A+B)						

\*Banks may also disclose in the format above, sub sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it should disclose details of its outstanding advances to mining separately in the format above under the 'Industry' sector.

## 5.10 Movement of NPAs

(Amount in ₹ crore)

Particulars	Current year	Previous year
Gross NPAs <sup>1</sup> as on April 1 of particular year (Opening Balance)		
Additions (Fresh NPAs) during the year		
Sub-total (A)		
Less :-		
(i) Upgradations		

<sup>1</sup> Gross NPAs as per item 2 of Annex to [DBOD Circular DBOD.BP.BC.No.46/21.04.048/2009-10 dated September 24, 2009](#) which specified a uniform method to compute Gross Advances, Net Advances, Gross NPAs and Net NPAs.

(ii) Recoveries (excluding recoveries made from upgraded accounts)		
(iii) Technical/Prudential <sup>2</sup> Write-offs		
(iv) Write-offs other than those under (iii) above		
Sub-total (B)		
Gross NPAs as on 31st March of following year (closing balance) (A-B)		

Further, banks should disclose the stock of technical write-offs and the recoveries made thereon as per the format below:

(Amount in ₹ crore)		
Particulars	Current year	Previous year
Opening balance of Technical / Prudential written-off accounts as at April 1		
Add : Technical / Prudential write-offs during the year		
Sub-total (A)		
Less : Recoveries made from previously technical / prudential written-off accounts during the year (B)		
Closing balance as at March 31 (A-B)		

#### 5.11 Overseas Assets, NPAs and Revenue

(Amount in ₹ crore)	
Particulars	
Total Assets	
Total NPAs	
Total Revenue	

#### 5.12 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas

<sup>2</sup> Technical or prudential write-off is the amount of non-performing loans which are outstanding in the books of the branches, but have been written-off (fully or partially) at Head Office level. Amount of Technical write-off should be certified by statutory auditors. (Defined in our circular reference DBOD.No.BP.BC.64/21.04.048/2009-10 dated December 1, 2009 on Provisioning Coverage for Advances)

### 5.13 Unamortised Pension and Gratuity Liabilities

Appropriate disclosures of the accounting policy followed in regard to amortization of pension and gratuity expenditure may be made in the Notes to Accounts to the financial statements.

### 5.14 Disclosures on Remuneration

In terms of Compensation Guidelines, private sector banks and foreign banks (to the extent applicable), are advised to disclose the following information in their notes to accounts.

<b>Qualitative disclosures</b>	(a)	Information relating to the composition and mandate of the Remuneration Committee.
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.
	(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.
	(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.
	(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.
	(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.

			Current Year	Previous Year
<b>Quantitative disclosures</b> (The quantitative disclosures should only cover Whole Time	(g)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.		
	(h)	(i) Number of employees having		

			Current Year	Previous Year
Directors / Chief Executive Officer/ Other Risk Takers)		received a variable remuneration award during the financial year. (ii) Number and total amount of sign-on awards made during the financial year. (iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus (iv) Details of severance pay, in addition to accrued benefits, if any.		
	(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. (ii) Total amount of deferred remuneration paid out in the financial year.		
	(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.		
	(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments. (ii) Total amount of reductions during the financial year due to ex- post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.		

### 5.15 Disclosures relating to Securitisation

The Notes to Accounts of the originating banks should indicate the outstanding amount of securitised assets as per books of the SPVs sponsored by the bank and total amount of exposures retained by the bank as on the date of balance sheet to comply with the Minimum Retention Requirements (MRR). These figures should be based on the information duly certified by the SPV's auditors obtained by the originating bank from the SPV. These disclosures should be made in the format given below.

S. No.	Particulars	No. / Amount in ₹ crore
1.	No of SPVs sponsored by the bank for securitisation transactions*	
2.	Total amount of securitised assets as per books of the SPVs sponsored by the bank	
3.	Total amount of exposures retained by the bank to comply with MRR as on the date of balance sheet	
	a) Off-balance sheet exposures	
	First loss	
	Others	
	b) On-balance sheet exposures	
	First loss	
	Others	
4	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own securitizations	
	First loss	
	Loss	
	ii) Exposure to third party securitisations	
	First loss	
	Others	
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	
	First loss	
	Others	
	ii) Exposure to third party securitisations	
	First loss	
	Others	

\*Only the SPVs relating to outstanding securitisation transactions may be reported here

### 5.16 Credit Default Swaps

Banks using a proprietary model for pricing CDS, shall disclose both the proprietary model price and the standard model price in terms of extant guidelines in the Notes to



the Accounts and should also include an explanation of the rationale behind using a particular model over another.

### **5.17 Intra-Group Exposures**

With the developments of financial markets in India, banks have increasingly expanded their presence in permitted financial activities through entities that are owned by them fully or partly. As a result, banks' exposure to the group entities has increased and may rise further going forward. In order to ensure transparency in their dealings with group entities, banks should make the following disclosures:

- (a) Total amount of intra-group exposures
- (b) Total amount of top-20 intra-group exposures
- (c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers
- (d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any.

### **5.18 Transfers to Depositor Education and Awareness Fund (DEAF)**

Unclaimed liabilities where amount due has been transferred to DEAF may be reflected as "Contingent Liability - Others, items for which the bank is contingently liable" under Schedule 12 of the annual financial statements. Banks are also advised to disclose the amounts transferred to DEAF under the notes to accounts as per the format given below.

(Amount in ₹ crore)

Particulars	Current year	Previous year
Opening balance of amounts transferred to DEAF		
Add : Amounts transferred to DEAF during the year		
Less : Amounts reimbursed by DEAF towards claims		
Closing balance of amounts transferred to DEAF		

### **5.19 Unhedged Foreign Currency Exposure**

Banks should disclose their policies to manage currency induced credit risk as a part of financial statements certified by statutory auditors. In addition, banks should also disclose the incremental provisioning and capital held by them towards this risk.

## 6. Liquidity Coverage Ratio

### 6.1 Disclosure format

Banks are required to disclose information on their Liquidity Coverage Ratio (LCR) in their annual financial statements under Notes to Accounts, starting with the financial year ending March 31, 2015, for which the LCR related information needs to be furnished only for the quarter ending March 31, 2015. However, in subsequent annual financial statements, the disclosure should cover all the four quarters of the relevant financial year. The disclosure format is given below.

(All Amounts in ₹ crore)

		Current year		Previous Year	
		Total Unweighted <sup>3</sup> Value (average)	Total Weighted <sup>4</sup> Value (average)	Total Unweighted <sup>3</sup> Value (average)	Total Weighted <sup>4</sup> Value (average)
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)				
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:				
(i)	Stable deposits				
(ii)	Less stable deposits				
3	Unsecured wholesale funding, of which:				
(i)	Operational deposits (all counterparties)				
(ii)	Non-operational deposits (all counterparties)				
(iii)	Unsecured debt				
4	Secured wholesale funding				
5	Additional requirements, of which				
(i)	Outflows related to derivative exposures and other collateral requirements				
(ii)	Outflows related to loss of funding on debt products				
(iii)	Credit and liquidity				

<sup>3</sup> Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the circular and LCR template.

<sup>4</sup> Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

		Current year		Previous Year	
		Total Unweighted <sup>3</sup> Value (average)	Total Weighted <sup>4</sup> Value (average)	Total Unweighted <sup>3</sup> Value (average)	Total Weighted <sup>4</sup> Value (average)
	<i>facilities</i>				
6	Other contractual funding obligations				
7	Other contingent funding obligations				
8	<b>Total Cash Outflows</b>				
<b>Cash Inflows</b>					
9	Secured lending (e.g. reverse repos)				
10	Inflows from fully performing exposures				
11	Other cash inflows				
12	<b>Total Cash Inflows</b>				
			Total Adjusted <sup>5</sup> Value		Total Adjusted Value
21	<b>TOTAL HQLA</b>				
22	<b>Total Net Cash Outflows</b>				
23	<b>Liquidity Coverage Ratio (%)</b>				
Note – Data to be entered only in blank and light grey cells					

Data must be presented as simple averages of monthly observations over the previous quarter (i.e. the average is calculated over a period of 90 days). However, with effect from the financial year ending March 31, 2017, the simple average should be calculated on daily observations. For most data items, both unweighted and weighted values of the LCR components must be disclosed as given in the disclosure format. The unweighted value of inflows and outflows is to be calculated as the outstanding balances of various categories or types of liabilities, off-balance sheet items or contractual receivables. The “weighted” value of HQLA is to be calculated as the value after haircuts are applied. The “weighted” value for inflows and outflows is to be calculated as the value after the inflow and outflow rates are applied. Total HQLA and total net cash outflows must be disclosed as the adjusted value, where the “adjusted” value of HQLA is the value of total HQLA after the application of both haircuts and any applicable caps on

<sup>5</sup> Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

Level 2B and Level 2 assets as indicated in this Framework. The adjusted value of net cash outflows is to be calculated after the cap on inflows is applied, if applicable.

## **6.2 Qualitative disclosure around LCR**

In addition to the disclosures required by the format given above, banks should provide sufficient qualitative discussion (in their annual financial statements under Notes to Accounts) around the LCR to facilitate understanding of the results and data provided. For example, where significant to the LCR, banks could discuss:

- (a) the main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time;
- (b) intra-period changes as well as changes over time;
- (c) the composition of HQLA;
- (d) concentration of funding sources;
- (e) derivative exposures and potential collateral calls;
- (f) currency mismatch in the LCR;
- (g) a description of the degree of centralisation of liquidity management and interaction between the group's units; and
- (h) other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile.

## Annex

### List of Circulars consolidated by the Master Circular

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
1.	DBOD.No.BP.BC.91/C.686-91	Feb 28, 1991	All	Accounting Policies - Need for Disclosure in the Financial Statements of Banks	2
2.	DBOD.No.BP.BC.78/C.686-91	Feb 06, 1992	3,4	Revised Format of the Balance Sheet and Profit & Loss Account	2
3.	DBOD.No.BP.BC.59/21.04.048/ 97	May 21, 1997	1,2,3	Balance Sheets of Banks – Disclosures	3.1(i)(iv)( v);3.2.(1) :3.4.1(i) 3.8
4.	DBOD.No.BP.BC.9/21.04.018/9 8	Jan 27, 1998	2	Balance Sheet of Banks – Disclosures	3.1(ii)(iii) 3.5(i) to (vi)
5.	DBOD.No.BP.BC.32/21.04.018/ 98	Apr 29, 1998	(ii)(a)(b)	Capital Adequacy-Disclosures in Balance Sheets	3.5(i) to (vi)
6.	DBOD.No.BP.BC.9/21.04.018/9 9	Feb 10, 1999	3,4	Balance Sheet of Banks - Disclosure of Information	3.4.1(ii)(i ii); 3.6
7.	<a href="#">MPD.BC.187/07.01. 279/1999- 2000</a>	July 7, 1999	1,Annex 3 (v)	Forward Rate Agreements / Interest Rate Swaps	3.3.1
8.	<a href="#">DBOD.No.BP.BC.164/21.04.04 8/2000</a>	Apr 24, 2000	3	Prudential Norms on Capital Adequacy, Income Recognition, Asset Classification and Provisioning etc.	3.4.5
9.	<a href="#">DBOD.BP.BC.27/21.04.137/200 1</a>	Sep 22, 2001	6	Bank Financing for Margin Trading	3.7.2 (ix)
10.	<a href="#">DBOD.BP.BC.38/21.04.018/200 1-2002</a>	Oct 27, 2001	2(i)(ii)	Monetary and Credit Policy Measures - Mid-Term Review for the year 2001-2002 - Balance Sheet Disclosures	3.2(2); 3.4.1(iv)

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
11.	<a href="#">DBOD.No.IBS.BC.65/23.10.015/2001-02</a>	Feb 14, 2002	1,10	Subordinated Debt for Inclusion in Tier II Capital - Head Office Borrowings in Foreign Currency by Foreign Banks Operating in India	3.1 explanation
12.	<a href="#">DBOD.No.BP.BC.84/21.04.018/2001-02</a>	Mar 27, 2002	2	Balance Sheet of Banks – Disclosure of Information	3.2(2)
13.	<a href="#">DBOD.BP.BC.71/21.04.103/2002-03</a>	Feb 19, 2003	Annex 24 (a) (b)	Guidelines on Country Risk Management by banks in India	3.7.3
14.	<a href="#">DBOD.No.BP.BC.72/21.04.018/2001-02</a>	Feb 25, 2003	16	Guidelines for Consolidated Accounting and Other Quantitative Methods to Facilitate Consolidated Supervision	4.6
15.	<a href="#">DBOD.No.BP.BC.89/21.04.018/2002-03</a>	Mar 29, 2003	4.3.2, 5.1, 6.3.1, 7.3.2, 8.3.1	Guidelines on Compliance with Accounting Standards (AS) by Banks	4.1 to 4.5
16.	<a href="#">DBOD.No.BP.BC.96/21.04.048/2002-03</a>	Apr 23, 2003	1, Annex 6	Guidelines on Sale of Financial Assets to SC/RC (Created under the SARFAESI Act, 2002) and Related Issues	3.4.3
17.	<a href="#">IDMC.MSRD.4801/06.01.03/2002-03</a>	Jun 3, 2003	4(x)	Guidelines on Exchange Traded Interest Rate Derivatives	3.3.2
18.	<a href="#">DBOD.BP.BC.44/21.04.141/2003-04</a>	Nov 12, 2003	Appendix 11 (4)	Prudential Guidelines on Banks' Investment in Non-SLR Securities	3.2.2
19.	<a href="#">DBOD.No.BP.BC.82/21.04.018/2003-04</a>	Apr 30, 2004	4.3.2	Guidelines on compliance with Accounting Standards (AS) by banks	4.9
20.	<a href="#">DBOD.No.BP.BC.100/21.03.05/2003-04</a>	Jun 21, 2004	2(v)	Annual Policy Statement for the year 2004-05 - Prudential Credit Exposure Limits by Banks	3.7.4

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
21.	<a href="#">DBOD.BP.BC.49/21.04.018/2004-2005</a>	Oct 19, 2004	5	Enhancement of Transparency on Bank's Affairs through Disclosure	3.8
22.	<a href="#">DBOD.No.BP.BC.72/21.04.018/2004-05</a>	Mar 3, 2005	Annex	Disclosures on risk exposure in derivatives	3.3.3
23.	<a href="#">DBS.CO.PP.BC.21/11.01.005/2004-05</a>	Jun 29, 2005	2. (a) (b)	Exposure to Real Estate Sector	3.7.1
24.	<a href="#">DBOD.NO.BP.BC.16/21.04.048/2005-06</a>	Jul 13 2005	7	Guidelines on purchase/sale of Non Performing Assets	3.4.4
25.	<a href="#">DBOD.BP.BC.86/21.04.018/2005-06</a>	May 29, 2006	3	Disclosure in Balance Sheets – Provisions and Contingencies	5.1
26.	<a href="#">DBOD.NO.BP.BC.89/21.04.048/2005-06</a>	Jun 22, 2006	2.(iv)	Prudential norms on creation and utilisation of floating provisions	5.2
27.	<a href="#">DBOD.BP.BC.31/21.04.018/2006-07</a>	Sep 20, 2006	3.(iii)	Section 17 (2) of Banking Regulation Act, 1949 – Appropriation from Reserve Fund	5.3
28.	<a href="#">DBOD.No.Dir.BC.47/13.07.05/2006-2007</a>	Dec 15, 2006	2.1	Banks' exposure to Capital Markets – Rationalization of Norms	3.7.2
29.	<a href="#">DBOD.No.Leg BC.60/09.07.005/2006-07</a>	Feb 22, 2007	3.	Analysis and Disclosure of complaints - Disclosure of complaints / unimplemented awards of Banking Ombudsmen along with Financial Results	5.4
30.	<a href="#">DBOD.No.BP.BC.81/21.04.018/2006-07</a>	Apr18, 2007	4	Guidelines - Accounting Standard 17(Segment Reporting) – Enhancement of disclosures	4.4
31.	<a href="#">DBOD.No.BP.BC.90/20.06.001/2006-07</a>	Apr 27, 2007	10	"Implementation of the New Capital Adequacy Framework"	

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
32.	<a href="#">DBOD No.BP.BC.65/21.04.009/2007- 08</a>	Mar 4, 2008	2.(iv)	Prudential Norms for Issuance of Letters of Comfort by Banks regarding their Subsidiaries	5.5
33.	<a href="#">DBOD.No.BP.BC.37/21.04.13 2/2008-09</a>	Aug 27, 2008	Annex 3	Prudential Guidelines on Restructuring of Advances by Banks	3.4.2
34.	<a href="#">DBOD.No.BP.BC.124/21.04.13 2/2008-09</a>	Apr 17, 2009	Annex	Prudential guidelines on restructuring of advances	3.4.2
35.	<a href="#">DBOD.No.BP.BC.125/21.04.04 8/2008-09</a>	Apr 17, 2009	2	Prudential Norms on Unsecured Advances	3.7.5
36.	<a href="#">DBOD.No.BP.BC.64/21.04.04 8/2009-10</a>	Dec 1, 2009	5	Second Quarter Review of Monetary Policy for the Year 2009-10 –Provisioning Coverage for Advances	5.6
37.	<a href="#">DBOD.No.FSD.BC.67/24.01.0 01/2009-10</a>	Jan 7, 2010	2	Disclosure in Balance Sheet – Bancassurance Business	5.7
38.	<a href="#">DBOD.BP.BC.79/21.04.018/20 09-10</a>	Mar 15, 2010	Annex	Additional Disclosures by banks in Notes to Accounts	5.8, 5.10, 5.11, 5.12
39.	<a href="#">IDMD/4135/11.08.43/ 2009-10</a>	Mar 23, 2010	9	Guidelines for Accounting of Repo / Reverse Repo Transactions	3.2.1
40.	<a href="#">DBOD.No.BP.BC.34/21.04.14 1/2010-11</a>	Aug 6, 2010	3	Sale of Investments held under Held to Maturity (HTM) Category	3.2.3
41.	<a href="#">DBOD.No.BP.BC.56/21.04.14 1/2010-11</a>	Nov 1, 2010	1	Sale of Investments held under Held to Maturity (HTM) Category	3.2.3



No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
42.	<a href="#">DBOD.No.BP.BC.80/21.04.01 8/2010-11</a>	Feb 9, 2011	4	Re-opening of Pension Option to Employees of Public Sector Banks and Enhancement in Gratuity Limits - Prudential Regulatory Treatment	5.13
43.	<a href="#">DBOD.No.BC.72/29.67.001/20 11-12</a>	Jan 13, 2012	B.3.2	Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc.	5.14
44.	<a href="#">DBOD.No.BP.BC- 103/21.04.177/2011-12</a>	May 7, 2012	1.6.2	Revisions to the Guidelines on Securitisation Transactions	5.15
45.	<a href="#">IDMD.PCD. No. 5053/14.03.04/2010-11</a>	May 23, 2011	2.14.3	Guidelines on Credit Default Swaps for Corporate Bonds	5.16
46.	<a href="#">DBOD.BP.BC.No.80/21.04.13 2/2012-13</a>	Jan 31, 2013	Annex	Disclosure Requirements on Advances Restructured by Banks and Financial Institutions	3.4.2
47.	<a href="#">DBOD.BP.BC.No.49/21.04.01 8/2013-14</a>	Sep 3, 2013	2	Disclosure of Customer Complaints and Unreconciled Balances on Account of ATM Transactions	5.4
48.	<a href="#">DBOD.No.BP.BC.77/21.04.01 8/2013-14</a>	Dec 20, 2013	4(a)	Deferred Tax Liability on Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961	4.7
49.	<a href="#">DBOD.No.BP.BC.85/21.06.20 0/2013-14</a>	Jan 15, 2014	8	Capital and Provisioning Requirements for Exposures to entities with Unhedged Foreign Currency Exposure	5.19
50.	<a href="#">DBOD.No.BP.BC.96/21.06.10 2/2013-14</a>	Feb 11, 2014	Annex, para 8	Guidelines on Management of Intra-Group Transactions and Exposures	5.17

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
51.	<a href="#">DBOD.BP.BC.No.97/21.04.13 2/2013-14</a>	Feb 26, 2014	5.6	Framework for Revitalising Distressed Assets in the Economy - Guidelines on Joint Lenders' Forum (JLF) and Corrective Action Plan (CAP)	3.7.2
52.	<a href="#">DBOD.BP.BC.No.98/21.04.13 2/2013-14</a>	Feb 26, 2014	3.4, 8.3	Framework for Revitalising Distressed Assets in the Economy -Refinancing of Project Loans, Sale of NPA and Other Regulatory Measures	3.4.4(B), 5.10
53.	Mailbox clarification	Mar 21, 2014	-	Sale of Investments held under Held to Maturity (HTM) Category	3.2.3
54.	<a href="#">DBOD.No.DEAF.Cell.BC.114/ 30.01.002/2013-14</a>	May 27, 2014	8	The Depositor Education and Awareness Fund Scheme, 2014 -Section 26A of Banking Regulation Act, 1949 - Operational Guidelines	5.18
55.	<a href="#">DBOD.BP.BC.No.120/21.04.0 98/2013-14</a>	Jun 9,2014	Annex, para 9	Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards	6
56.	<a href="#">DBOD.No.BP.BC.121/21.04.0 18/2013-14</a>	Jun 18, 2014	Para 2, Annex	Disclosure of sector-wise advances	5.9

**SCHEDULE V: ANNUAL REPORT**  
[See Regulation 34(3) and 53(f)]

The annual report shall contain the following additional disclosures:

**A. Related Party Disclosure:**

1. The listed entity <sup>652</sup>[which has listed its non-convertible securities] shall make disclosures in compliance with the Accounting Standard on “Related Party Disclosures”.

2. The disclosure requirements shall be as follows:

Sr. no.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	<ul style="list-style-type: none"> <li>• Loans and advances in the nature of loans to subsidiaries by name and amount.</li> <li>• Loans and advances in the nature of loans to associates by name and amount.</li> <li>• Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.</li> </ul>
2	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.

For the purpose of above disclosures directors’ interest shall have the same meaning as given in Section 184 of Companies Act, 2013.

<sup>653</sup>[(2A) Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.]

3. <sup>654</sup>[ The above disclosures shall not be applicable to listed banks.]

**B. Management Discussion and Analysis:**

1. This section shall include discussion on the following matters within the limits set by the listed entity’s competitive position:
  - (a) Industry structure and developments.
  - (b) Opportunities and Threats.
  - (c) Segment-wise or product-wise performance.

<sup>652</sup> Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, w.e.f. 1.4.2022.

<sup>653</sup> Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

<sup>654</sup> Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, w.e.f. 1.4.2022. Prior to the substitution, clause (3) read as under:

“3. The above disclosures shall be applicable to all listed entities except for listed banks.”

- (d) Outlook
- (e) Risks and concerns.
- (f) Internal control systems and their adequacy.
- (g) Discussion on financial performance with respect to operational performance.
- (h) Material developments in Human Resources / Industrial Relations front, including number of people employed.
- <sup>655</sup>[(i) details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:
  - (i) Debtors Turnover
  - (ii) Inventory Turnover
  - (iii) Interest Coverage Ratio
  - (iv) Current Ratio
  - (v) Debt Equity Ratio
  - (vi) Operating Profit Margin (%)
  - (vii) Net Profit Margin (%)
 or sector-specific equivalent ratios, as applicable.
- (j) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.]

## 2. **Disclosure of Accounting Treatment:**

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction.

## C. **Corporate Governance Report:** The following disclosures shall be made in the section on the corporate governance of the annual report.

- (1) A brief statement on listed entity's philosophy on code of governance.
- (2) Board of directors:
  - (a) composition and category of directors (e.g. promoter, executive, non-executive, independent non-executive, nominee director - institution represented and whether as lender or as equity investor);
  - (b) attendance of each director at the meeting of the board of directors and the last annual general meeting;
  - (c) number of other board of directors or committees in which a directors is a member or chairperson<sup>656</sup>[, and with effect from the Annual Report for the year ended 31st March 2019, including separately the names of the listed entities where the person is a director and the category of directorship];
  - (d) number of meetings of the board of directors held and dates on which held;
  - (e) disclosure of relationships between directors inter-se;
  - (f) number of shares and convertible instruments held by non- executive directors;
  - (g) web link where details of familiarisation programmes imparted to

<sup>655</sup> Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

<sup>656</sup> Inserted *ibid.*, w.e.f from the date specified in the provision.

independent directors is disclosed.

<sup>657</sup>[(h) A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:

- (i) With effect from the financial year ending March 31, 2019, the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board; and
  - (ii) With effect from the financial year ended March 31, 2020, the names of directors who have such skills / expertise / competence
- (i) confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.
- (j) detailed reasons for the resignation of an independent director who resigns before the expiry of his <sup>658</sup>[her] tenure along with a confirmation by such director that there are no other material reasons other than those provided.]

(3) Audit committee:

- (a) brief description of terms of reference;
- (b) composition, name of members and chairperson;
- (c) meetings and attendance during the year.

(4) Nomination and Remuneration Committee:

- (a) brief description of terms of reference;
- (b) composition, name of members and chairperson;
- (c) meeting and attendance during the year;
- (d) performance evaluation criteria for independent directors.

(5) <sup>659</sup>[Stakeholders' relationship committee

- (a) name of the non-executive director heading the committee;
- (b) name and designation of the compliance officer;
- (c) number of shareholders' complaints received during the financial year;

---

<sup>657</sup> Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

<sup>658</sup> Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 5.5.2021.

<sup>659</sup> Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 5.5.2021. Prior to the substitution, clause (5) read as follows:

*"Remuneration of Directors:*

- (a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report;*
- (b) criteria of making payments to non-executive directors. alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report;*
- (c) disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:*
  - (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;*
  - (ii) details of fixed component and performance linked incentives, along with the performance criteria;*
  - (iii) service contracts, notice period, severance fees;*
  - (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable."*

- (d) number of complaints not solved to the satisfaction of shareholders;
- (e) number of pending complaints.]

<sup>660</sup>[(5A) Risk management committee:

- (a) brief description of terms of reference;
- (b) composition, name of members and chairperson;
- (c) meetings and attendance during the year;]

<sup>661</sup>[(5B) Senior management:

Particulars of senior management including the changes therein since the close of the previous financial year.]

(6) <sup>662</sup>[Remuneration of directors:

- (a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity;
- (b) criteria of making payments to non-executive directors. Alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report;
- (c) disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:
  - (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
  - (ii) details of fixed component and performance linked incentives, along with the performance criteria;
  - (iii) service contracts, notice period, severance fees;
  - (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.]

(7) General body meetings:

- (a) location and time, where last three annual general meetings held;
- (b) whether any special resolutions passed in the previous three annual general meetings;
- (c) whether any special resolution passed last year through postal ballot – details of voting pattern;
- (d) person who conducted the postal ballot exercise;
- (e) whether any special resolution is proposed to be conducted through postal

---

<sup>660</sup> Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 5.5.2021.

<sup>661</sup> Inserted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 w.e.f. 15.7.2023.

<sup>662</sup> Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 5.5.2021. Prior to the substitution, clause (6) read as follows:

*“ Stakeholders' grievance committee:*

- (a) name of non-executive director heading the committee;*
- (b) name and designation of compliance officer;*
- (c) number of shareholders' complaints received so far;*
- (d) number not solved to the satisfaction of shareholders;*
- (e) number of pending complaints.”*

- ballot;
- (f) procedure for postal ballot.

(8) Means of communication:

- (a) quarterly results;
- (b) newspapers wherein results normally published;
- (c) any website, where displayed;
- (d) whether it also displays official news releases; and
- (e) presentations made to institutional investors or to the analysts.

(9) General shareholder information:

- (a) annual general meeting - date, time and venue;
- (b) financial year;
- (c) dividend payment date;
- (d) the name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);
- (e) <sup>663</sup>[\*\*\*]
- (f) <sup>664</sup>[\*\*\*]
- (g) <sup>665</sup>[\*\*\*]
- (h) in case the securities are suspended from trading, the directors report shall explain the reason thereof;
- (i) registrar to an issue and share transfer agents;
- (j) share transfer system;
- (k) distribution of shareholding;
- (l) dematerialization of shares and liquidity;
- (m) outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;
- (n) commodity price risk or foreign exchange risk and hedging activities;
- (o) plant locations;
- (p) address for correspondence.
- <sup>666</sup>[(q) list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.]

(10) Other Disclosures:

- (a) disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

---

<sup>663</sup> Omitted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 13.12.2024. Prior to the omission, the clause read as under-  
“(e) stock code;”

<sup>664</sup> Omitted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 13.12.2024. Prior to the omission, the clause read as under-  
“(f) market price data- high, low during each month in last financial year;”

<sup>665</sup> Omitted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 13.12.2024. Prior to the omission, the clause read as under-  
“(g) performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;”

<sup>666</sup> Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

- (b) details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;
- (c) details of establishment of vigil mechanism <sup>667</sup>[/] whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;
- (d) details of compliance with mandatory requirements and adoption of the non-mandatory requirements;
- (e) web link where policy for determining ‘material’ subsidiaries is disclosed;
- (f) web link where policy on dealing with related party transactions;
- (g) disclosure of commodity price risks and commodity hedging activities.
- <sup>668</sup>[(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- (i) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- (j) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:  
Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations.
- (k) total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.]
- <sup>669</sup>[(l) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. number of complaints filed during the financial year
  - b. number of complaints disposed of during the financial year
  - c. number of complaints pending as on end of the financial year.]
- <sup>670</sup>[(m) disclosure by listed entity and its subsidiaries of ‘Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount’:  
Provided that this requirement shall be applicable to all listed entities except for listed banks.]
- <sup>671</sup>[(n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.]

<sup>667</sup> Substituted for “,” by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 5.5.2021.

<sup>668</sup> Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

<sup>669</sup> Inserted by SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018, w.e.f. 16.11.2018.

<sup>670</sup> Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, w.e.f. 1.4.2022.

<sup>671</sup> Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023, w.e.f. 17.1.2023, to be applicable for Annual Reports filed for the financial year 2022-2023 and thereafter.



(11) Non-compliance of any requirement of corporate governance report of sub-  
paras (2) to (10) above, with reasons thereof shall be disclosed.

(12) The corporate governance report shall also disclose the extent to which the  
discretionary requirements as specified in Part E of Schedule II have been  
adopted.

(13) The disclosures of the compliance with corporate governance requirements  
specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of  
regulation 46 shall be made in the section on corporate governance of the annual  
report.

**D. Declaration signed by the chief executive officer stating that the members of  
board of directors and senior management personnel have affirmed  
compliance with the code of conduct of board of directors and senior  
management.**

**E. Compliance certificate from either the auditors or practicing company  
secretaries regarding compliance of conditions of corporate governance shall  
be annexed with the directors' report.**

**F. Disclosures with respect to demat suspense account/ unclaimed suspense account**

(1) The listed entity shall disclose the following details in its annual report, as long as  
there are shares in the demat suspense account or unclaimed suspense account, as  
applicable :

- (a) aggregate number of shareholders and the outstanding shares in the  
suspense account lying at the beginning of the year;
- (b) number of shareholders who approached listed entity for transfer of shares  
from suspense account during the year;
- (c) number of shareholders to whom shares were transferred from suspense  
account during the year;
- (d) aggregate number of shareholders and the outstanding shares in the  
suspense account lying at the end of the year;
- (e) that the voting rights on these shares shall remain frozen till the rightful  
owner of such shares claims the shares.

G. <sup>672</sup>**[Disclosure of certain types of agreements binding listed entities**

(1) Information disclosed under clause 5A of paragraph A of Part A of Schedule III of  
these regulations.]

## **SCHEDULE VI: MANNER OF DEALING WITH UNCLAIMED SHARES**

**[See Regulation 39(4)]**

**A.** The listed entity may delegate the following procedural requirements to a share  
transfer agent.

---

<sup>672</sup> Inserted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)  
(Second Amendment) Regulations, 2023 w.e.f. 15.7.2023.

## Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)”

### Objective and Purpose of these Standards

#### **INTRODUCTION:**

In accordance with the provisions of Regulation 23(2), (3) and (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), the prior approval of the Audit Committee and shareholders, as the case may be, is required for the approval of Related Party Transactions (RPTs) by listed entities. These provisions ensure that RPTs are conducted transparently, fairly and in the best interests of the listed entity and its public shareholders. To facilitate informed decision-making, Section III-B of the SEBI Master Circular dated November 11, 2024 (“SEBI Circular”), mandates that listed entities provide detailed information on RPTs for review and approval by the Audit Committee and shareholders, wherever required. This requirement ensures that the Audit Committee and the shareholders have relevant data to assess the transaction’s nature, terms, and potential impact on the listed entity.

#### **OBJECTIVE AND PURPOSE:**

**The objective of these Standards is to standardize the format for “Minimum information to be provided to the Audit Committee and the shareholders, wherever required, for review and approval of a Related Party Transaction (RPT)”.**

These Standards aims to critically analyze the adequacy and clarity of the information provided, ensuring that it meets the legal and regulatory requirements set forth under the LODR Regulations and the SEBI Master Circular.

The information provided in the standardized format shall be incorporated into the agenda of the Audit Committee meeting. The comments of the Audit Committee, where applicable, shall be recorded in the minutes of the meeting. For material RPTs, the information as prescribed in these Standards shall be included in the Explanatory Statement to the Notice sent to shareholders.

These Standards have been prepared in consultation with SEBI. Any addition/ modification/ alteration to these Standards shall be made only in consultation with SEBI. These Standards are in conformity with the provisions of the LODR Regulations and/or applicable SEBI Circulars. However, if a particular Standard or any part thereof becomes inconsistent with subsequent changes in the LODR Regulations and/or SEBI Circular, the provisions of the LODR Regulations and/or the SEBI Circular shall prevail.

These Standards are available on the websites of the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) (collectively, the “**Stock Exchanges**”). Further, the same are hosted on the websites of the Federation of Indian Chambers of Commerce and Industry (FICCI)

accessible at <https://ficci.in/>, the Associated Chambers of Commerce & Industry of India (ASSOCHAM), accessible at <https://www.assocham.org/>, and the Confederation of Indian Industry (CII), accessible at <https://www.cii.in/>.

**MAIN ASPECTS COVERED:**

1. Applicability of these Standards.
2. Standards for Definitions of words and expressions used in these Standards.
3. Standards for Minimum Information to be provided to the Audit Committee for review and approval (including ratification) of RPTs.
4. Format for Minimum Information to be provided for review of the Audit Committee for Approval (including ratification) of RPTs.
5. Standards for Minimum Information to be provided to the shareholders for consideration of RPTs.

## 1. Applicability of these Standards:

- (1) Material RPT as defined under Regulation 23(1) & (1A) of the LODR Regulations.
- (2) Transaction(s) with a related party, where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed lower of the following:
  - (a) 2% of turnover, as per the last audited consolidated financial statements of the listed entity;
  - (b) 2% of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
  - (c) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.
- (3) These Standards shall be applicable in respect of RPTs entered into by the Listed Entity on or after 01<sup>st</sup> April, 2025, as per the following applicability matrix:

**Applicability Matrix**

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

	Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year less than Rs. one crore			Minimum disclosures
--	--	--	--	---------------------

**Explanation:** For the purposes of this applicability matrix:

- (1) Promoter or promoter group shall be deemed to be concerned or interested in any person, if they in any way, whether directly or indirectly—
  - (a) where the person is a body corporate, holds more than 2% shareholding or voting rights of that body corporate, or is a promoter, managing director, manager, Chief Executive Officer of that body corporate; or
  - (b) where the person is a firm or other entity, the promoter(s) or the promoter group is a partner, owner or member, as the case may be.
- (2) **Balance Sheet items** include:
  - (a) **B(3):** Loans, inter-corporate deposits or advances given by the listed entity or its subsidiary;
  - (b) **B(4):** Investment made by the listed entity or its subsidiary;
  - (c) **B(5):** Guarantee (excluding performance guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary;
  - (d) **B(6):** Borrowings by the listed entity or its subsidiary; and
  - (e) **B(7):** 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.
- (3) **P&L items** include:
  - (a) **B(2):** Sale, purchase or supply of goods or services or any other similar business transaction; and
  - (b) **B(8):** Payment of royalty.
- (4) **Comprehensive disclosures:** All disclosures as specified in Para 4 of these Standards, as applicable to relevant RPT.
- (5) **Limited disclosures:** All disclosures as specified in Para 4 of these Standards, as applicable to relevant RPT, except the following:
  - (a) **B(2):** Rows 13 to 17;

- (b) **B(3):** Rows 31 & 32 (In both rows, provide information for the previous financial year instead of the last three financial years);
  - (c) **B(4):** Row 43; and
  - (d) **B(8):** Rows 78, 79, 84 & 86.
- (6) **Minimum disclosures:** All disclosures as specified in Rows A(1), A(2), A(4), A(5) and B(1) of Para 4 of these Standards, as applicable to relevant RPT.

## **2. Standards for Definitions of words and expressions used in these Standards:**

The “words and expressions” used in these 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.

## **3. Standards for Minimum Information to be provided to the Audit Committee for review and approval (including ratification) of RPTs:**

- (1) The management of the listed entity shall provide the Audit Committee with the information, as specified in Para 4 of these Standards, while placing any proposal for review and approval of a RPT.
- (2) While collecting and collating the information, the management of the listed entity shall take into account the following:
  - (a) Provide comments against each information where it is sought in the format specified in Para 4 of these Standards against transaction-based information. Indicate ‘NA’, where the field is not applicable and ‘NIL’, where no comments have been provided.
  - (b) Certificates from the CEO or CFO or any other KMP of the Listed Entity and from every director of the Listed Entity who is also promoter (“promoter director”) to the effect that:
    - (i) the RPTs to be entered into are not prejudicial to the interest of public shareholders; and
    - (ii) the terms and conditions of the RPT are not unfavorable to the listed entity, compared to the terms and conditions, had similar transaction been entered into with an unrelated party.

However, if any promoter director does not provide such certificate, the same shall be informed to the Audit Committee and the shareholders, if it is a material RPT as specified in Para 1(1) of these Standards.

- (c) Copy of the valuation or other report of external party, if any, shall be placed before the Audit Committee.
- (d) If audited financial statements of the related party as required to be submitted to Audit Committee are not available for any financial year, the financial details shall be certified by the related party.
- (e) If the related party follows a different financial year, this fact shall be disclosed.
- (f) In the case of the payment of royalty [*as provided in B(8) in the format as specified in Para 4 of these Standards*], management fees, service fees, etc., if any, shall be explicitly bifurcated and disclosed.
- (g) In the case of the payment of royalty [*as provided in B(8) in the format as specified in Para 4 of these Standards*], the criteria for selecting Industry Peers shall be as follows:
  - (i) The Listed Entity will strive to compare the royalty payment with a minimum of three Industry Peers, where feasible. The selection shall follow the following hierarchy:
    - A. Preference will be given to Indian listed Industry Peers.
    - B. If Indian listed Industry Peers are not available, a comparison may be made with listed global Industry Peers, if available.
  - (ii) If no suitable Indian listed/ global Industry Peers are available, the Listed Entity may refer to the peer group considered by SEBI-registered research analysts in their publicly available research reports (“Research Analyst Peer Set”). If the Listed Entity’s business model differs from such Research Analyst Peer Set, it may provide an explanation to clarify the distinction.
  - (iii) 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.
- (3) If the Audit Committee has any comments on the line items as per the format specified in Para 4 of these Standards, it shall provide them accordingly. However, comments are required only for applicable line items, while non-applicable line items may be left blank.

**4. Format for Minimum Information to be provided for review of the Audit Committee for Approval (including ratification) of RPTs:**

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
<b><u>A. Details of the related party and transactions with the related party</u></b>			
<b>A(1). Basic details of the related party</b>			
1.	Name of the related party		
2.	Country of incorporation of the related party		
3.	Nature of business of the related party		
<b>A(2). Relationship and ownership of the related party</b>			
4.	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party.		
5.	Shareholding or contribution % or profit & loss sharing % of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.  <i>Explanation:</i> Indirect shareholding shall mean shareholding held through any person, over which the listed entity or subsidiary has control.	% Shareholding % Contribution % P&L Sharing	



S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
6.	<p>Shareholding of the related party, whether direct or indirect, in the listed entity/subsidiary (in case of transaction involving the subsidiary).</p> <p><i>Explanation:</i> Indirect shareholding shall mean shareholding held through any person, over which the related party has control. While calculating indirect shareholding, shareholding held by relatives shall also be considered.</p>	% Shareholding	
<b>A(3). Financial performance of the related party</b>			
7.	Standalone turnover of the related party for each of the last three financial years:		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
8.	Standalone net worth of the related party for each of the last three financial years:		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
9.	Standalone net profits of the related party for each of the last three financial years:		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee																		
	FY 20xx-20xx																				
A(4). Details of previous transactions with the related party																					
10.	<p>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during each of the last three financial years.</p> <p><b>Note:</b> Details need to be disclosed separately for listed entity and its subsidiary.</p>																				
<div>FY 20xx-20xx</div> <table><tr><th>S. No.</th><th>Nature of Transactions</th><th>Amount (in INR)</th></tr><tr><td></td><td></td><td></td></tr></table> <div>FY 20xx-20xx</div> <table><tr><th>S. No.</th><th>Nature of Transactions</th><th>Amount (in INR)</th></tr><tr><td></td><td></td><td></td></tr></table> <div>FY 20xx-20xx</div> <table><tr><th>S. No.</th><th>Nature of Transactions</th><th>Amount (in INR)</th></tr><tr><td></td><td></td><td></td></tr></table>			S. No.	Nature of Transactions	Amount (in INR)				S. No.	Nature of Transactions	Amount (in INR)				S. No.	Nature of Transactions	Amount (in INR)				
S. No.	Nature of Transactions	Amount (in INR)																			
S. No.	Nature of Transactions	Amount (in INR)																			
S. No.	Nature of Transactions	Amount (in INR)																			

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
11.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the current financial year (till the date of approval of the Audit Committee / shareholders).		
12.	Whether prior approval of Audit Committee has been taken for the above mentioned transactions?		
13.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last three financial years.		
<b>A(5). Amount of the proposed transactions</b> <i>(All types of transactions taken together)</i>			
14.	Total amount of all the proposed transactions being placed for approval in the current meeting.		
15.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year is material RPT in terms of Para 1(1) of these Standards?		
16.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	%	

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
17.	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)	%	
18.	Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year.	%	
<b><u>B. Details for specific transactions</u></b>			
<b><u>B(1). Basic details of the proposed transaction</u></b> <i>(In case of multiple types of proposed transactions, details to be provided separately for each type of the proposed transaction – for example, (i) sale of goods and purchase of goods to be treated as separate transactions; (ii) sale of goods and sale of services to be treated as separate transactions; (iii) giving of loans and giving of guarantee to be treated as separate transactions)</i>			
1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)		
2.	Details of the proposed transaction		
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)		
4.	Indicative date / timeline for undertaking the transaction		
5.	Whether omnibus approval is being sought?		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
6.	<p>Value of the proposed transaction during a financial year. In case approval of the Audit Committee is sought for multi-year contracts, also provide the aggregate value of transactions during the tenure of the contract.</p> <p>If omnibus approval is being sought, the maximum value of a single transaction during a financial year.</p>		
7.	<p>Whether the RPTs proposed to be entered into are:</p> <ul style="list-style-type: none"> <li>(i) not prejudicial to the interest of public shareholders, and</li> <li>(ii) going to be carried out on the same terms and conditions as would be applicable to any party who is not a related party</li> </ul>	<p>Certificate from the CEO or CFO or any other KMP of the listed entity and also from promoter directors of the listed entity (as referred in Para 3(2)(b) of these Standards)</p>	
8.	<p>Provide a clear justification for entering into the RPT, demonstrating how the proposed RPT serves the best interests of the listed entity and its public shareholders.</p>		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
9.	<p>Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.</p> <p>The details shall be provided, where the shareholding or contribution or % sharing ratio of the promoter(s) or director(s) or KMP in the related party is more than 2%.</p> <p><i>Explanation:</i> Indirect interest shall mean interest held through any person over which an individual has control including interest held through relatives.</p>		
	a. Name of the director / KMP		
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	% Shareholding	
10.	<p>Details of shareholding (more than 2%) of the director(s) / key managerial personnel/ partner(s) of the related party, directly or indirectly, in the listed entity.</p> <p><i>Explanation:</i> Indirect shareholding shall mean shareholding held through any person over which an individual has control including shareholding held through relatives.</p>		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
	a. Name of the director / KMP/ partner		
	b. Shareholding of the director / KMP/ partner, whether direct or indirect, in the listed entity	% Shareholding	
11.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.		<i>If any such report has been considered, it shall also be stated whether the Audit Committee has reviewed the basis for valuation contained in the report and found it to be satisfactory based on their independent evaluation.</i>
12.	Other information relevant for decision making.		
<b>B(2). <u>Additional details</u> for proposed transactions relating to sale, purchase or supply of goods or services or any other similar business transaction</b>			
13.	Number of bidders / suppliers / vendors / traders / distributors / service providers from whom bids / quotations were received with respect to the proposed transaction along with details of process followed to obtain bids.		<i>If the number is less than 3, Audit Committee to comment upon whether the number of bids / quotations received are sufficient</i>
14.	Best bid / quotation received.  If comparable bids are available, disclose the price and terms offered.		<i>Audit committee to provide justification for rejecting the best bid /quotation and for selecting the related party for the transaction</i>

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
15.	Additional cost / potential loss to the listed entity or the subsidiary in transacting with the related party compared to the best bid / quotation received.		<i>Audit committee to justify the additional cost to the listed entity or the subsidiary</i>
16.	Where bids were not invited, the fact shall be disclosed along with the justification for the same.		
17.	Wherever comparable bids are not available, state what is basis to recommend to the Audit Committee that the terms of proposed RPT are beneficial to the shareholders.		
<b>B(3). <u>Additional details</u> for proposed transactions relating to any loans, inter-corporate deposits or advances given by the listed entity or its subsidiary</b>			
18.	Source of funds in connection with the proposed transaction.  <i>Explanation:</i> This shall not be applicable to listed banks/ NBFCs.		
19.	Where any financial indebtedness is incurred to give loan, inter-corporate deposit or advance, specify the following:  <i>Explanation:</i> This shall not be applicable to listed banks/ NBFCs.		
	a. Nature of indebtedness		
	b. Total cost of borrowing		
	c. Tenure		
	d. Other details		



S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
20.	Material covenants of the proposed transaction		
21.	<p>Interest rate charged on loans / inter-corporate deposits / advances by the listed entity (or its subsidiary, in case of transaction involving the subsidiary) in the last three financial years:</p> <ul style="list-style-type: none"> <li>To any party (other than related party):</li> <li>To related party.</li> </ul> <p><i>Explanations: Comparable rates shall be provided for similar nature of transaction, for e.g., long term vis-a-vis long term etc.</i></p>		<p><i>If the interest rate charged to the related party is less than the average rate charged, then Audit Committee to provide justification for the low interest rate charged.</i></p>
22.	Rate of interest at which the related party is borrowing from its bankers or the rate at which the related party may be able to borrow given its credit rating or credit score and its standing and financial position		
23.	Rate of interest at which the listed entity or its subsidiary is borrowing from its bankers or the rate at which the listed entity may be able to borrow given its credit rating or credit score and its standing and financial position		
24.	Proposed interest rate to be charged by listed entity or its subsidiary from the related party.		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
25.	Maturity / due date		
26.	Repayment schedule & terms		
27.	Whether secured or unsecured?		
28.	If secured, the nature of security & security coverage ratio		
29.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the transaction.		
30.	Latest credit rating of the related party (other than structured obligation rating (SO rating) and credit enhancement rating (CE rating))		<i>If credit rating of the related party is not available, Audit Committee to comment on credit worthiness of the related party</i>
31.	Amount of total borrowings (long-term and short-term) of the related party over the last three financial years		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
32.	Interest rate paid on the borrowings by the related party from any party in the last three financial years.  <i>Explanation: Comparable rates shall be provided for similar nature of transaction, for e.g., long term vis-a-vis long term etc.</i>		<i>If the interest rate charged to the related party is less than the average rate paid by the related party, then the Audit Committee to provide justification for the low interest rate charged.</i>

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
33.	Default in relation to borrowings, if any, made during the last three financial years, by the related party from the listed entity or any other person.		<p><i>In case of defaults by the related party over the last three financial years, in relation to which the Listed Entity or any of its subsidiary has previously provided guarantee, indemnity or other such obligation, the management has to submit justification to Audit Committee for the proposed transaction and the capacity of the related party to service the debt (loan, deposit or advance) proposed to be given by the listed entity or its subsidiary.</i></p> <p><i>Audit Committee to comment on the justification provided by Management.</i></p>
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
<b><i>Additional details relating to advances other than loan given by the listed entity or its subsidiary</i></b>			
34.	Advances provided, their break-up and duration.		

S. No.	Particulars of the information			Information provided by the management	Comments of the Audit Committee
	S. No.	Advance given to	Amount	Duration of advance given	
	1				
	2				
35.	Advance as % of the total loan given during the preceding 12 months			%	
B(4). <u>Additional details</u> for proposed transactions relating to any investment made by the listed entity or its subsidiary					
36.	Source of funds in connection with the proposed transaction.  <i>Explanation:</i> This shall not be applicable to listed banks/ NBFCs.				
37.	Purpose for which funds shall be utilized by the investee company.				
38.	Where any financial indebtedness is incurred to make investment, specify the following:  <i>Explanation:</i> This shall not be applicable to listed banks/ NBFCs.				
	a. Nature of indebtedness				
	b. Total cost of borrowing				
	c. Tenure				
	d. Other details				
39.	Material covenants of the proposed transaction				

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
40.	<p>Latest credit rating of the related party (other than structured obligation rating (SO rating) and credit enhancement rating (CE rating))</p> <p><i>Explanation:</i> This shall be applicable in case of investment in debt instruments.</p>		<p><i>If credit rating of the related party is not available, Audit Committee to comment on credit worthiness of the related party</i></p>
41.	<p>Expected annualised returns</p> <p><i>Explanation:</i> This shall be applicable in case of investment in debt instruments.</p>		
42.	<p>Returns on past investments in the related party over the last three financial years</p>	Return on Equity	<p><i>In case of diminishing value of investments (negative returns) over the last three financial years, Audit Committee to provide justification for the proposed investment</i></p>
43.	<p>Details of asset-liability mismatch position, if any, post investment</p> <p><i>Explanation:</i> This shall be applicable in case of investment in debt instruments.</p>		
44.	<p>Whether any regulatory approval is required. If yes, whether the same has been obtained.</p>		
<p><b>B(5). <u>Additional details</u> for proposed transactions relating to any guarantee (excluding performance guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary</b></p>			

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
45.	Rationale for giving guarantee, surety, indemnity or comfort letter		
46.	Material covenants of the proposed transaction including (i) commission, if any to be received by the listed entity or its subsidiary; (ii) contractual provisions on how the listed entity or its subsidiary will recover the monies in case such guarantee, surety, indemnity or comfort letter is invoked.		
47.	The value of obligations undertaken by the listed entity or any of its subsidiary, for which a guarantee, surety, indemnity, or comfort letter has been provided by the listed entity or its subsidiary. Additionally, any provisions required to be made in the books of account of the listed entity or any of its subsidiary shall also be specified.		
48.	Latest credit rating of the related party (other than structured obligation rating (SO rating) and credit enhancement rating (CE rating)), if guarantee, surety, indemnity or comfort letter is given in connection with the borrowing by a related party		<i>If credit rating of the related party is not available, Audit Committee to comment on credit worthiness of the related party</i>
49.	Details of solvency status and going concern status of the related party during the last three financial years:		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
	<i>FY 20xx-20xx</i>		
50.	Default on borrowings, if any, over the last three financial years, by the related party from the listed entity or any other person.		<p><i>In case of defaults by the related party over the last three financial years, in relation to which the Listed Entity or any of its subsidiary has previously provided guarantee, indemnity or other such obligation, the management has to submit justification to Audit Committee for the proposed transaction and the capacity of the related party to service the debt (loan, deposit or advance) proposed to be given by the listed entity.</i></p> <p><i>Audit Committee to comment on the justification provided by Management.</i></p>
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
	<i>FY 20xx-20xx</i>		
<b>B(6). <u>Additional details</u> for proposed transactions relating to borrowings by the listed entity or its subsidiary</b>			
51.	Material covenants of the proposed transaction		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
52.	Interest rate (in terms of numerical value or base rate and applicable spread)		
53.	Cost of borrowing (This shall include all costs associated with the borrowing)		
54.	Maturity / due date		
55.	Repayment schedule & terms		
56.	Whether secured or unsecured?		
57.	If secured, the nature of security & security coverage ratio		
58.	The purpose for which the funds will be utilized by the listed entity / subsidiary		
59.	Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements  <i>Explanation:</i> This shall not be applicable to listed banks.		
	a. Before transaction		
	b. After transaction		
60.	Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements  <i>Explanation:</i> This shall not be applicable to listed banks.		
	a. Before transaction		



S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
	b. After transaction		
<b>B(7). <u>Additional details</u> for proposed transactions relating to sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity, or disposal of shares of subsidiary or associate</b>			
61.	Number of bidders / suppliers / vendors / traders / distributors / service providers from whom bids / quotations were received with respect to the proposed transaction along with details of process followed to obtain bids.		<i>If the number is less than 3, Audit Committee to comment upon whether the number of bids / quotations received are sufficient</i>
62.	Best bid / quotation received  If comparable bids are available, disclose the price and terms offered.		<i>Audit Committee to provide justification for rejecting the best bid / quotation and for selecting the related party for the transaction</i>
63.	Additional cost / potential loss to the listed entity or the subsidiary in transacting with the related party compared to the best bid / quotation received.		<i>Audit committee to justify the additional cost to the listed entity or the subsidiary</i>
64.	Where bids were not invited, the fact shall be disclosed along with the justification for the same.		
65.	Wherever comparable bids are not available, state what is the basis to recommend to the Audit Committee that the terms of proposed RPT are beneficial to the shareholders.		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee																												
66.	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.																														
67.	Financial track record of the subsidiary / undertaking that is being sold (in case of sale of undertaking, segment level data to be provided) during the last three financial years:																														
	<table> <tr> <th></th><th><i>FY 20xx-20xx</i></th><th><i>FY 20xx-20xx</i></th><th><i>FY 20xx-20xx</i></th></tr> <tr> <td><b>Turnover</b></td><td></td><td></td><td></td></tr> <tr> <td><b>Net worth</b></td><td></td><td></td><td></td></tr> <tr> <td><b>Net Profit</b></td><td></td><td></td><td></td></tr> <tr> <td><b>Net Profit Margin</b></td><td></td><td></td><td></td></tr> <tr> <td><b>Operating Cash Flow Margin</b></td><td></td><td></td><td></td></tr> <tr> <td><b>Return on Assets (RoA)</b></td><td></td><td></td><td></td></tr> </table>		<i>FY 20xx-20xx</i>	<i>FY 20xx-20xx</i>	<i>FY 20xx-20xx</i>	<b>Turnover</b>				<b>Net worth</b>				<b>Net Profit</b>				<b>Net Profit Margin</b>				<b>Operating Cash Flow Margin</b>				<b>Return on Assets (RoA)</b>					
	<i>FY 20xx-20xx</i>	<i>FY 20xx-20xx</i>	<i>FY 20xx-20xx</i>																												
<b>Turnover</b>																															
<b>Net worth</b>																															
<b>Net Profit</b>																															
<b>Net Profit Margin</b>																															
<b>Operating Cash Flow Margin</b>																															
<b>Return on Assets (RoA)</b>																															
68.	Expected financial impact on the consolidated turnover, net worth and net profits of the listed entity or its subsidiary due to sale of the subsidiary / undertaking																														
	a. Expected impact on turnover																														
	b. Expected impact on net worth																														
	c. Expected impact on net profits																														

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
69.	Details of earlier sale, lease or disposal of assets of the same subsidiary or of the unit, division or undertaking of the listed entity, or disposal of shares of the same subsidiary or associate to any related party during the preceding twelve months.		
70.	Whether the transaction would result in issue of securities or consideration in kind to a related party? If yes, please share the relevant details.		
71.	Would the transaction result in eliminating a segment reporting by the listed entity or any of its subsidiary?		
72.	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?		
73.	Are there any other major non-financial reasons for going ahead with the proposed transaction?		
<b>B(8). <u>Additional details</u> for transactions relating to payment of royalty</b>			
74.	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>	

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
75.	Purpose for which royalty was paid to the related party during the last three financial years.		<i>For companies with a composite license agreement that includes a bundle of intellectual property rights (IPRs) such as brands, patents, technology, and know-how, it is essential to understand the key components of such agreements and the reasons why these cannot be disclosed separately.</i>
	a. For use of brand name / trademark	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>	
	b. For transfer of technology know-how	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>	
	c. For professional fee, corporate management fee or any other fee	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>	
	d. Any other use (specify)	<i>As a % of aggregate amount of royalty for the last 3 FYs</i>	
76.	Purpose for which royalty is proposed to be paid to the related party in the current financial year		
	a. For use of brand name / trademark	<i>As a % of total royalty proposed to be paid</i>	

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
	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>	
77.	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>	
78.	Dividend paid in last 3 FYs as % of Net Profits of previous FYs		<i>Audit Committee to comment on the reasons for less dividend payment than royalty payment, if so.</i>
	<i>FY 20xx-20xx</i>	<i>%</i>	
	<i>FY 20xx-20xx</i>	<i>%</i>	
	<i>FY 20xx-20xx</i>	<i>%</i>	
79.	Royalty and dividend paid or proposed to be paid during the current FY  <i>Explanation:</i> The dividend proposed to be paid shall mean dividend that has been declared but not been paid yet.		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
80.	Rate at which royalty has increased in the past 5 years, if any, vis-à-vis rate at which the turnover, profits after tax and dividends have increased during the same period.		
81.	In case of new technology i.e. first year of technology transfer ( <i>to be provided separately for each new technology</i> ):		
	a. Expected duration of technology transfer	<i>in years</i>	
	b. Benefits derived from the technology transfer		
82.	In case of existing technology i.e. technology being imported ( <i>to be provided separately for each existing technology</i> ):		
	a. Years since technology transfer initiated	<i>in years</i>	
	b. Expected duration of technology transfer	<i>in years</i>	
	c. Benefits derived from the technology transfer		
83.	Details of in-house research & development, if any:		
	a. Total expenses incurred during the preceding financial year		
	b. Benefits derived		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
	c. If any in-house R&D undertaken by the listed entity or its subsidiary that will reduce or eliminate the royalty currently paid for any technology or technical know-how. Additionally, the absolute value of R&D expenditure incurred by the listed entity or its subsidiary on such in-house R&D, along with the period required for completing the research to achieve the reduction or elimination of royalty, shall be disclosed to the Audit Committee.		<i>If no expenses were incurred, the Audit Committee shall provide justification or comment on the same.</i>
84.	<p>If royalty is paid to the parent company, disclose royalty received by the parent company from foreign entities:</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>Explanation:</i></p> <p>a) The disclosure shall be made on a gross basis (Cost to the Company), including taxes paid on behalf of the recipient of royalty.</p> <p>b) The listed entity may confirm whether the parent company charges royalty at a uniform rate from all group companies. If so, this row shall not be applicable.</p>	%	

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee																				
85.	Sunset Clause for Royalty payment																						
86.	<b>Peer Comparison:</b> Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any Industry Peer pays royalties for the same purpose, which is disclosed in its audited annual financial statements for the relevant period:																						
	<table><tr><td></td><td>Listed Entity / Subsidiary</td><td>Peer 1</td><td>Peer 2</td><td>Peer 3</td></tr><tr><td>Royalty payment over last 3 years</td><td>Aggregate amount</td><td>Aggregate amount</td><td>Aggregate amount</td><td>Aggregate amount</td></tr><tr><td>Royalty paid as a % of net profits over the last 3 years</td><td>%</td><td>%</td><td>%</td><td>%</td></tr><tr><td>Annual growth rate of Turnover over last 3 years</td><td>%</td><td>%</td><td>%</td><td>%</td></tr></table>		Listed Entity / Subsidiary	Peer 1	Peer 2	Peer 3	Royalty payment over last 3 years	Aggregate amount	Aggregate amount	Aggregate amount	Aggregate amount	Royalty paid as a % of net profits over the last 3 years	%	%	%	%	Annual growth rate of Turnover over last 3 years	%	%	%	%		
	Listed Entity / Subsidiary	Peer 1	Peer 2	Peer 3																			
Royalty payment over last 3 years	Aggregate amount	Aggregate amount	Aggregate amount	Aggregate amount																			
Royalty paid as a % of net profits over the last 3 years	%	%	%	%																			
Annual growth rate of Turnover over last 3 years	%	%	%	%																			
87.	Royalty paid or payable for imported technology, along with the turnover attributable to such technology.																						
88.	Royalty paid or payable for brands or other intangible assets, along with the turnover attributable to their use.																						



## 5. Standards for Minimum Information to be provided to the shareholders for consideration of RPTs:

- (1) The explanatory statement contained in the notice sent to the shareholders for seeking their approval for an RPT shall provide the minimum information so as to enable the shareholders to take a view whether the terms and conditions of the RPT are favorable to the listed entity.
- (2) The notice being sent to the shareholders seeking approval for any material RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:
  - (a) Information as placed before the Audit Committee in the format as specified in Para 4 of these Standards, to the extent applicable.
  - (b) The Audit Committee can approve redaction of commercial secrets and such other information that would affect competitive position of listed entity from disclosures to shareholders. Further, the Audit Committee shall certify that, in its assessment, the redacted disclosures still provide all the necessary information to the public shareholders for informed decision-making.
  - (c) Justification as to why the proposed transaction is in the interest of the listed entity.
  - (d) Statement of assessment by the Audit Committee that relevant disclosures for decision-making were placed before them, and they have determined that the promoter(s) will not benefit from the RPT at the expense of public shareholders.
  - (e) Disclose the fact that the Audit Committee had reviewed the certificate provided by the CEO or CFO or any other KMP as well as the certificate provided by the promoter directors of the Listed Entity as required under Para 3(2)(b) of these Standards.
  - (f) Copy of the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.
  - (g) In case of sale, purchase, or supply of goods or services *[as provided in B(2) in the format as specified in Para 4 of these Standards]*, or the sale, lease, or disposal of assets of a subsidiary, unit, division, or undertaking of the listed entity *[as provided in B(7) in the format as specified in Para 4 of these Standards]*, if the Audit Committee has reviewed the terms and conditions of bids from unrelated parties then such fact shall be stated. In case bids have not been invited, the fact shall be disclosed along with the justification thereof, and in case comparable bids are not available, state the basis for recommending that the terms of the RPT are beneficial to the shareholders.
  - (h) Comments of the Board/ Audit Committee of the listed entity, if any.
  - (i) Any other information that may be relevant.