

## **POLICY ON RELATED PARTY TRANSACTIONS**

### **OBJECTIVE**

This policy is framed as per requirements of Clause 49 of the Equity Listing Agreement entered by the Company with the Stock Exchange and intended to ensure that the dealings in Related Party Transactions meet proper reporting and approval norms as required by the statute.

The Audit Committee will review and may amend this policy from time to time.

**“Related Party”** means related party as defined under Section 2(76) of the Companies Act, 2013 and related party under the applicable accounting standards.

**“Related Party Transaction”** refers to any transaction involving any Related Party which is a transfer of resources, services or obligations between the Bank and a related party, regardless of whether a price is charged.

### **PROCESS AND PROCEDURE FOR DEALING WITH RELATED PARTY TRANSACTIONS**

1. Prior approval of Audit Committee to be taken for entering into transactions with Related Party. Audit Committee may provide its generic approval to the Company to enter into related party transactions by specifying the nature, the criterion for arms length and the limits upto that the Company may enter into certain transactions in the ordinary course of business. Details of such transactions executed by the Company shall be periodically reported to Audit Committee.

2. Approval of Board of Directors to be taken for entering into Related Party Transactions which are not in the ordinary course of business or not on arm's length basis. Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

3. Approval of shareholders to be taken for entering into Material Related Party Transactions and also for all

Related Party Transactions which are either not on arm s length basis or are not in the ordinary course of business, through a special resolution and the Related Parties shall abstain from voting on such resolutions.

4. All existing Material Related Party Transactions as on September 30, 2014 which are likely to continue beyond March 31, 2015 shall be required to be placed for approval of the shareholders in the first General Meeting subsequent to October 01, 2014.

### **DISCLOSURE**

The particulars of contracts or arrangement with Related Parties referred to in section 188(1) shall be disclosed in the Board's report for the financial year commencing on or after April 1, 2014 in Form AOC 2 enclosed as Annexure- I and the form shall be signed by the persons who have signed the Board's report.

All Material Related Party Transactions that are entered into with effect from October 1, 2014, shall be disclosed quarterly along with the compliance report on corporate governance pursuant to the requirements of clause 49 of the Listing Agreement.

The Company shall disclose this Policy on its website and also in its annual report. The Policy shall also be communicated to all operational employees and other concerned persons of the Company.

#### **Role of Audit Committee**

The Audit Committee shall be responsible for the approval or any subsequent modification of transactions of the Company with Related Parties. The Audit Committee shall review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to disclosure of any Related Party Transactions.