



## RELATED PARTY TRANSACTION POLICY

<b>Policy Approval Committee</b>	
Board Committee	Audit Committee
Approver	Board of Directors
Policy Owner	Company Secretary
Review Frequency	At least annually
Last amended/approved	Recommended by ACB on January 21, 2026 Approved by Board on January 22, 2026

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## 1. INTRODUCTION AND OBJECTIVE

The Board, on the recommendation of the Audit Committee, has framed, implemented and adopted this Policy along with associated procedures for regulating Related Party Transactions pursuant to the requirement of Regulation 23 (2) (3) and (4) of the SEBI Listing Regulations and the Companies Act, 2013.

The Policy seeks to define a mechanism to handle all Related Party Transactions (“RPT”) in order to ensure the transparency, substantive and procedural fairness of such transactions and that the RPT is being entered in accordance with provisions of applicable laws.

The Policy also seeks to provide guidance on identification of related parties and basis on which materiality of RPT will be determined and the proper conduct and documentation of all RPT.

This Policy is intended to ensure that proper review, approval, monitoring, reporting and disclosure processes are in place for all transactions between the Bank and its Related Parties. The Policy specifically provides the review and approval mechanism of Related Party Transactions keeping in mind the potential or actual conflict of interest that may arise as a result of such transactions.

## 2. DEFINITIONS

- i. **“Act”** means The Companies Act, 2013, as amended from time to time and the rules made thereunder;
- ii. **“Audit Committee”** means Audit Committee of Board of Directors of the Bank constituted under Section 177 of the Act, Regulation 18 of the Listing Regulations and RBI Requirements;
- iii. **“Arm’s Length Transaction”** means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest;
- iv. **“Bank”** means Ujjivan Small Finance Bank Limited;
- v. **“Board”** means Board of Directors of the Bank;
- vi. **“Board’s or Directors’ Report”** means the Report referred under Section 134(3) of the Act;
- vii. **“Director”** means a person appointed to the Board of the Bank for the time being;
- viii. **Industry Standards Forum (“ISF”)** comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI
- ix. **“Key Managerial Personnel”** shall have the same meaning as defined under Section 2(51) of the Act;
- x. **“Listing Regulations”** or LODR Regulations means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- xi. **“Material Related Party Transaction(s)”** shall have the same meaning as defined under the below statutes:
  - As per Section 188 of the Act – transactions entered with a related party as defined under Section 2 (76) of the Act that is not in the ordinary course of business or not on an arm’s length basis and exceeds the threshold (*10% or more of the turnover / net worth of the Company*) as specified in Rule 15 of Companies (Meetings of the Board and its Powers) Rules, 2015.
  - Regulation 23 of the Listing Regulations - A transaction with a related party shall be considered material, if the transaction[s] to be entered into individually or taken together with previous transaction during a financial year exceeds the following;

Consolidated Turnover of listed Entity	Threshold
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(1) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(2) More than ₹20,000 Crore to upto 40,000	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(3) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crore, Whichever is lower.

- xii. “Material Modification”** means any modification, either individually or taken together with any previous modification, made in the nature, value/exposure, or other terms and conditions of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the contracted value of the transaction, by 20% or more or Rs. 20 lacs, whichever is higher. It is to be noted that SEBI Listing Regulations has empowered the the audit committee to define “material modifications” and disclose it as part of this policy on materiality of related party transactions and on dealing with related party transactions.
- xiii. “Policy”** means policy on materiality of related party transactions and on dealing with related party transactions framed and implemented by the Bank;
- xiv. “Related Party(ies)”** shall have the same meaning as defined under Section 2(76) of the Act, Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India and Regulation 2 (1)(zb) of the Listing Regulations and any amendments thereof;

Section 2(76) of the Act, defines a Related Party as under:

“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 or his relative is a member or director;
  - (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
  - (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
  - (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;
  - (C) an investing company or the venturer of the company;";

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- (ix) Such other person as may be prescribed

For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

Regulation 2(1)(zb) of the SEBI Listing Regulation defines related party as under:

“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 of 10% or more in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year shall be deemed to be a related party:  
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);

- xv. **“Related Party Transaction(s) or RPTs”** shall have the same meaning as defined under Regulation 2 (1) (zc) of the Listing Regulations and any amendments thereof which defines as under:

Related party transaction” 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 that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. subdivision or consolidation of securities;
  - iii. issuance of securities by way of a rights issue or a bonus issue; and
  - iv. buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:
- (d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:  
Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
- (e) retail purchases from any listed entity or its subsidiary by the directors or KMPs of the listed entity or its subsidiary, and relatives of such directors or KMP without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel:

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

- xvi. **“Relative”** shall have the same meaning as defined below under Section 2(77) of the Act.

“relative”, with reference to any person, means anyone who is related to another, if—

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in the following manner;

- (1) Father including step-father.
- (2) Mother including step-mother.
- (3) Son including the step-son.
- (4) Son's wife.
- (5) Daughter.
- (6) Daughter's husband.
- (7) Brother including step-brother;
- (8) Sister including step-sister.

All other words and expressions used in this Policy but not defined herein, shall have the same meaning as ascribed to them under the Act and the Listing Regulations.

### **3. APPLICABILITY AND DISCLOSURE REQUIREMENTS (WHETHER COMPREHENSIVE, MINIMAL OR LIMITED)**

The Policy document applies to approval and reporting of related party relationships and transactions between a reporting enterprise, i.e., the Bank and its related parties and all the transactions that are considered as RPT in terms of the provisions of the Companies Act, 2013, SEBI LODR, 2015 and other laws applicable to the Bank for the time being in force.

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

Regulation 23(2), (3) and (4) of SEBI Listing Regulations require RPTs to be approved by the audit committee and by the shareholders, if material. 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.

In order to facilitate uniform approach and assist listed entities in complying with the above mentioned requirements, ISF under the aegis of the Stock Exchanges, has formulated industry standards, in consultation with SEBI, for minimum information to be provided for review of the audit committee and shareholders for approval of RPTs.

#### **Latest Update: October 13, 2025**

SEBI Board in its meeting held on September 12, 2025 has approved the proposal for relaxation in minimum information to be provided to the Audit Committee and shareholders for the approval of RPTs. Accordingly, with an objective of facilitating ease of doing business by the listed entities, Section III-B of the Master Circular read with Para 7 of the SEBI Circular dated June 26, 2025 has been modified as under:

#### **5.1 Paragraph 4 under Part A of Section III-B of the Master Circular shall stand substituted by the following paragraph:**

“The listed entity shall provide the audit committee with the information as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”, while placing any proposal for review and approval of an RPT.

*Provided that if a transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rs. 10 (Ten) Crore, whichever is lower, the listed entity shall provide ‘Minimum information to the Audit Committee for approval of Related Party Transactions’ specified in Annexure-13A of this circular.*

Provided further that the above requirements, shall not be applicable to transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) which does not exceed Rs. One Crore.”

5.2 Paragraph 6 under Part B of Section III-B of the Master Circular shall stand substituted by the following paragraph:

“The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions.

Provided that if a transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower, the listed entity shall provide ‘Minimum information to the Shareholders for approval of Related Party Transactions’ specified in Annexure-13A of this Circular.

Provided further that the above requirements, shall not be applicable to transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) which does not exceed Rs. One Crore.”

**Applicability of these Industry Standards:**

**Para (1)** Material RPT as defined under Regulation 23(1) & (1A) of the LODR Regulations.

**Para (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 Bank
  - (b) 2% of net worth, as per the last audited consolidated financial statements of the Bank, 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 Bank.
- (3) These Standards shall be applicable in respect of RPTs entered into by the Bank on or after 01st April, 2025, as per the following applicability matrix:

**Applicability Matrix**

Type of Transaction	Threshold	Balance Sheet / P&L Items	Approvals required	Disclosure requirement
Material RPT	As provided in para (1) above	Both	Audit Committee + Shareholders	Comprehensive disclosures
Other RPT, but which is with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest	Exceed the threshold as provided in para (2) above	Balance sheet items	Audit Committee	Comprehensive disclosures
		P&L items		
	Less than the threshold as provided in para (2) above	Balance sheet items	Audit Committee	Comprehensive disclosures
		P&L items		Limited disclosures

Residual RPT	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	Both	Audit Committee	Limited disclosures
	Transaction(s) with a related party to be entered into individually			Minimum

*Note 1: As on October 15, 2025, all RPTs of the Bank will fall under 'Limited Disclosures' or 'Minimum Disclosures'*

*Note 2: If omnibus approval has been granted before April 1, 2025 for RPTs for FY 2025-26, then the Bank need not seek fresh approval with disclosures as per the Industry Standards. However, for approval of any material modification to such RPTs on or after April 1, 2025, the Industry Standards shall be applicable.*

**Comprehensive disclosures:** All disclosures as specified in Para 4 of these Standards, as applicable to relevant RPT.

**Limited disclosures:** All disclosures as specified in Para 4 of these Standards, as applicable to relevant RPT, except the following:

- **B(2):** Rows 13 to 17;
- **B(3):** Rows 31 & 32 (in both rows, provide information for the previous financial year instead of the last three financial years);
- **B(4):** Row 43; and
- **B(8):** Rows 78, 79, 84 & 86.

**Note: the relaxation as stated in Annexure 2 (and reiterated below) of this Policy in line with the SEBI Circular dated October 13, 2025 will prevail:**

*“if a transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rs. 10 (Ten) Crore, whichever is lower, the listed entity shall provide 'Minimum information to the Audit Committee for approval of Related Party Transactions' specified in **Annexure-13A** of this circular.”*

#### 4. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Every Director and Key Managerial Personnel shall be responsible for providing a declaration to the Company Secretary containing the name of Related Parties and any additional information related thereto on an annual basis or whenever there are any changes in order to ascertain the Related Parties of the Bank.

The Company Secretary of the Bank shall maintain a database of Related Parties containing the names of individuals and companies identified based on the definition of Related Party and declaration provided by the Directors and Key Managerial Personnel and any entity or person who the Board/Audit Committee of the Board shall consider as a Related Party.

The Company Secretary and/or Corporate Secretarial Team shall prepare and maintain the database of Related Parties on the basis definition of Related Party and aforesaid information/ declaration including any revisions therein.

The aforesaid database shall be circulated to the Managing Director and Chief Executive Officer / Whole Time Director / Chief Financial Officer/ Department Heads of the Bank and statutory auditors.

## **5. REVIEW AND APPROVAL FOR RELATED PARTY TRANSACTIONS**

### **A. Audit Committee**

Unless otherwise stated in this Policy or exempted under applicable laws, all Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee.

As stated in Clause 4 of this Policy, ISF has prescribed set standards for minimum information to be provided to the Audit Committee for review and approval (including ratification) of RPTs.

As stated in the ISF Circular,

- (1) The management of the Bank shall provide the Audit Committee with the information, as specified in **Para 4 of these Standards** (page 7 to 31 of the ISF Circular), while placing any proposal for review and approval of a RPT.
- (2) While collecting and collating the information, the management of the Bank 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 Bank 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.
  - (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, management fees, service fees, etc., if any, shall be explicitly bifurcated and disclosed.
  - (g) In the case of the payment of royalty, the criteria for selecting Industry Peers as stated in the ISF should be followed
- (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.

Functional departmental heads who proposes placing a related party transaction for review of the Audit Committee, shall submit to the Company Secretary ("CS") of the Bank the details of proposed transaction in line with the information required under Para 4 of the ISF Standards with a justification that the transaction(s) is/are on arms' length basis and in an ordinary course of business at prevailing market rate. Based on this note, Company Secretary will appropriately take it up for necessary prior approvals from the Audit Committee at its next meeting and convey the decision to the originator.

If the proposed transaction is not in the ordinary course of business but at arms' length basis, then the Functional departmental heads shall give a detailed note with justification to CS of the Bank for entering such transaction along with the information required under Para 4 of the ISF Standards. Accordingly, the CS of the Bank shall put up for prior approval of Audit Committee and/or other required approvals.

Further, only Independent Directors that are members of the Audit Committee shall be entitled to approve the Related Party Transactions proposed by the Bank.

Remuneration and sitting fees paid by the Bank or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of regulation 23 of Listing Regulations.

#### **Omnibus approval by the Audit Committee for Related Party Transactions proposed to be entered**

The Audit Committee may grant omnibus approval for Related Party Transactions for the transactions that are repetitive in nature and are entered in ordinary course of business and on arm's length basis.

The Audit Committee shall consider the following conditions while granting the aforesaid omnibus approval:

- The transaction in question is necessary to be executed and it is in the interest of Bank;
- Requisite information as required under Para 4 of ISF Standards is presented to the satisfaction of Audit Committee to establish that the transaction is entered in the ordinary course of business and is on arm's length basis;
- Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of the financial year.

The Audit Committee would review on a quarterly basis the aforesaid Related Party Transactions entered into by the Bank pursuant to each of the omnibus approval given.

In cases where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

Only Independent Directors that are members of the Audit Committee shall be entitled to approve the Related Party Transactions proposed by the Bank and any member of the Audit Committee, who has a potential interest in any Related Party Transaction, shall recuse himself or herself and abstain from discussion or voting on the approval or ratification of such Related Party Transactions.

The Audit Committee or the Board shall, in respect of the related party transactions referred to them for approval, shall after considering the materials and information placed before them; judge if the transaction is in the ordinary course of business and at arm's length basis.

The Audit Committee shall also review the statement of significant related party transactions as submitted by the senior management.

#### **B. Board of Directors**

The following Related Party Transactions shall require approval of the Board of Directors of the Bank in addition to the approval of the Audit Committee if applicable:

- i. RPTs referred by Audit Committee;
- ii. All Related Party Transactions which are not in ordinary course of business or not on arm's length basis;
- iii. All material Related Party Transactions; and subsequent material modifications if any
- iv. All the below transactions as specified under clause (a) to (g) of the Section 188(1) of the Act:

- (a) sale, purchase or supply of any goods or materials;

- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company:

Provided also that nothing in this sub-section (1) of Section 188 of the Act shall apply to any transactions entered into by the Bank in its ordinary course of business and which are on an arm's length basis:

- Further, in line with RBI Master Circular RBI/2015-16/99 DBR.BP.BC No.23/21.04.018/2015-16 dated July 01, 2015- Disclosure in Financial Statements - Notes to Accounts (Accounting Standard 18) and RBI Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021 (Updated as on July 3, 2025), all transactions involving transfer of resources or obligations between related parties, regardless of whether or not a price is charged shall be covered. Where there is only one entity in any category of related party, the Bank need not to disclose any details pertaining to that related party other than the relationship with that related party. The following transactions will be covered and details will be provided in accordance with aforesaid RBI Master Circular:
  - i. Borrowing;
  - ii. Deposit;
  - iii. Placement of deposits;
  - iv. Advances;
  - v. Investments;
  - vi. Non-funded commitments;
  - vii. Leasing/HP arrangements availed or provided;
  - viii. Purchase of fixed assets;
  - ix. Sale of fixed assets;
  - x. Interest paid;
  - xi. Interest received;
  - xii. Rendering of services;
  - xiii. Receiving of services; and
  - xiv. Management contract

Any director, who has a potential interest in any Related Party Transaction, shall recuse himself or herself and abstain from discussion or voting on the approval or ratification of such Related Party Transactions.

### **C. Shareholders' approval**

The following Related Party Transactions shall require prior approval of the members of the Bank, by way of Ordinary Resolution, in addition to the approval of the Board of Directors and Audit Committee:

- i. Related Party Transactions which are not in ordinary course of business or not on arm's length basis and which crosses threshold limit as prescribed under Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time; and
- ii. All material Related Party Transactions and subsequent material modifications if any

Provided that no member of the Bank shall vote on such ordinary resolution to approve aforesaid transaction(s) if such member is a related party.

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

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

**Information to be provided to shareholders for consideration of RPTs**

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- b. A summary of the information provided by the management of the listed entity to the audit committee as specified in Para 4 of this ISF Standards;
- c. Justification for why the proposed transaction is in the interest of the Bank;
- d. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Bank, the details specified under para 4(f) above; *(The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)*
- e. A statement that the valuation or other external report, if any, relied upon by the Bank in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- f. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- g. Any other information that may be relevant.

**6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the Bank becomes aware of a Related Party Transaction other than Material Related Part Transaction or any material modification that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee.

The Audit Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Bank, including ratification, revision or termination of the Related Party Transaction.

Where any contract or arrangement, which is considered as a Related Party Transaction exclusively as per Section 188(1) of the Act, is entered into by a director or any other employee, without obtaining the consent of Audit Committee, the Board or the shareholders of the Bank, such transaction shall be ratified by the Audit Committee or Board or, as the case may be, by the shareholders as stated below.

The members of the audit committee, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not material in terms of the provisions of regulation 23;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of regulation 23;
- (v) any other condition as specified by the audit committee:

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

The aforesaid amendment provides greater flexibility in handling RPTs by allowing independent directors on the audit committee to ratify such transactions within three months or at the next meeting.

A transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval / ratification is obtained within the stated timelines after it is entered into or after it becomes reasonably

apparent that the transaction is covered by this Policy. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation of the transaction, seeking approval of the shareholders, payment of compensation for the loss suffered by the related party, etc.

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

## **7. REPORTING REQUIREMENTS**

### **7.1 Regulatory Disclosures**

Regulation 23(9) of the Listing Regulations inter-alia requires listed entities to disclose Related Party Transactions (RPTs), on a half-yearly basis, in the format specified by SEBI and within the timelines specified in the said regulations. Accordingly, the details of all Related Party Transactions if any shall be disclosed to the Stock Exchanges on a half-yearly basis along with compliance report on Corporate Governance on the date of publication of its financial results and publish the same on its website: at [www.ujjivansfb.in](http://www.ujjivansfb.in).

Provided further that the remuneration and sitting fees paid by the Bank or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under this sub-regulation provided that the same is not material in terms of the provisions of sub-regulation (1) of regulation 23 of Listing Regulations.

The Policy shall be available on the website of the Bank at <https://www.ujjivansfb.in/corporate-governance-policies> and a web link thereto shall be provided in the Annual Report.

### **7.2 Statutory Disclosures**

Particulars of contracts/arrangements entered into by the Bank with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under fourth proviso thereto entered with Related Parties shall be referred to in the Board's Report to the shareholders along with the justification for entering into such contract or arrangements. The disclosures should be made in Form AOC-2 as prescribed under the Act and shall be annexed to the Board's Report.

The aforesaid disclosure shall made in case if contracts or arrangements or transactions entered by the Bank with its related parties, in terms of Section 188(1) of the Act, were not at arm's length basis or such transactions were material and at arm's length.

The Bank shall also disclose the materially significant related party transactions that may have potential conflict with the interests of the Bank at large.

### **7.3 Accounting Standard Related Disclosures**

The Bank shall follow the provisions and make necessary disclosure prescribed under Accounting Standard 18 (AS-18) and IND – AS 24 in the financial statements.

Related party disclosure requirements as laid down as per Accounting Standard 18 and Ind AS - 24 do not apply in circumstances where providing such disclosures would conflict with the Bank's duties of confidentiality as specifically required in terms of a statute or by any regulator or similar competent authority.

In case a statute or a regulator or a similar competent authority governing the Bank prohibits the Bank to disclose certain information which is required to be disclosed as per the above referred standard, disclosure of such information is not warranted.

## **8. REVIEW AND REVISION**

The Audit Committee should review the Policy on annual basis and recommend any revisions, if necessary, to the Board for its review and approval.

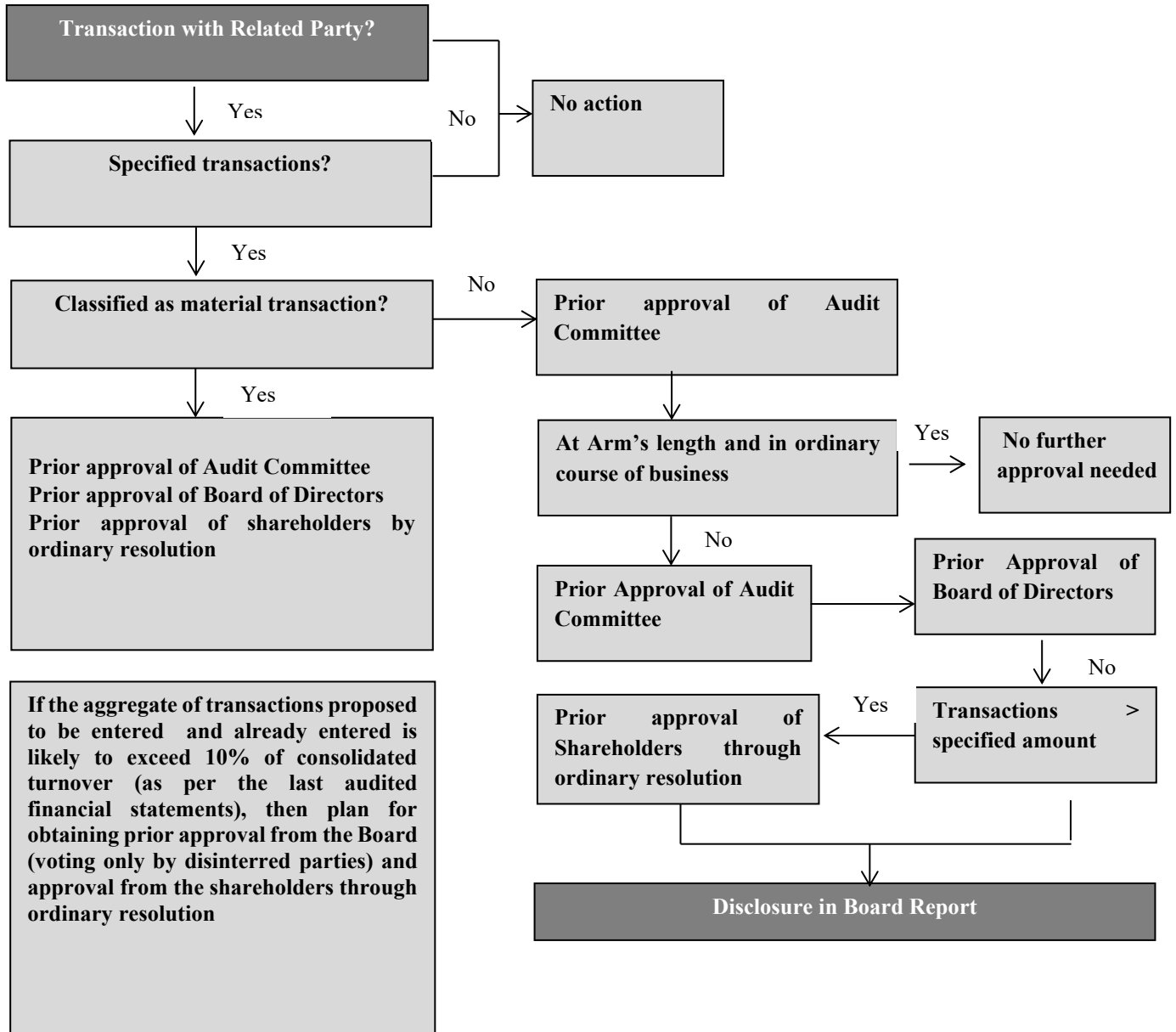
Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and of the provisions of the Act and/or the Listing Regulations and any other applicable law dealing with related party transactions, such applicable law in force from time to time shall prevail over this policy.

## **9. REGULATORY REFERENCES**

- The Companies Act, 2013 and the Rules Framed thereunder
- Banking Regulation Act, 1949
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024
- SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated February 14, 2025, issued by SEBI titled *“Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction.”*
- SEBI Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 dated October 13, 2025
- Accounting Standard 18 by ICAI
- Indian Accounting Standard (Ind AS 24) – Related Part Disclosures
- RBI Master Circular on ‘Disclosure in Financial Statements – Notes to Accounts’ dated July 1, 2015
- RBI Master Circular – Loans and Advances – Statutory and Other Restrictions dated July 1, 2015 and RBI Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021 (Updated as on November 15, 2021), vide Ref RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22

**Annexure 1 – Pictorial Representation of the Approval Matrix**



**Annexure 2: Annexure 13A of the SEBI Circular dated October 13, 2025 – Relaxations in minimum information to be provided to the Audit Committee and shareholders for the approval of RPTs.**

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

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

- a. Type, material terms and particulars of the proposed transaction
- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified)
- d. Value of the proposed transaction
- e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
  - (i) details of the source of funds in connection with the proposed transaction
  - (ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,
    - nature of indebtedness
    - cost of funds; and
    - tenure

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

- (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
- (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g. Justification as to why the RPT is in the interest of the listed entity
- h. A copy of the valuation or other external party report, if any such report has been relied upon
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis
- j. Any other information that may be relevant.

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

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- a. A summary of the information provided by the management of the listed entity to the audit committee as specified in paragraph 4 of this Section
- b. Justification for why the proposed transaction is in the interest of the listed entity
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under para 4(f) above
- d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis
- f. Any other information that may be relevant.