

Appendix II - Matters other than policies⁵

IIA – To be placed before the Board for approval / review / information

S.No	Subject matter	Paragraph reference in extant directions/circulars
For Approval		
1.	Acquisition of Shares or Voting Rights	Paragraph <u>23 & 24</u> of Reserve Bank of India (Local Area Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
2.	Issuance of Regulatory Capital (PDI / RNCPS / RCPS / Basel III Tier 2 Debt Capital / Upper Tier 2 instruments and Lower Tier 2 instruments)	Paragraph <u>9(2)</u> , <u>10(1)</u> , <u>13(2)</u> , <u>14(3)</u> , and <u>15(1)</u> Reserve Bank of India (Local Area Banks - Prudential Norms on Capital Adequacy) Directions, 2025
3.	Reclassifications between categories viz. Held till Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL)	Paragraph <u>65</u> of Reserve Bank of India (Local Area Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
4.	Declaration of Dividend	Paragraph <u>6</u> of Reserve Bank of India (Local Area Banks – Prudential Norms on Declaration of Dividends) Directions, 2025
5.	Approval by Board of Directors in case of Voluntary Amalgamation	Paragraph <u>7</u> and <u>9</u> of Reserve Bank of India (Local Area Banks – Voluntary Amalgamation) Directions, 2025
6.	RTGS membership	<u>Annex V</u> of the Master Direction on Access Criteria for Payment Systems dated January 17, 2017
7.	Appointment / Reappointment of Managing Director & CEO / PTC	Paragraph <u>28 (ii)</u> of Reserve Bank of India (Local Area Banks - Governance) Directions, 2025
8.	Remuneration of WTD	Paragraph <u>29</u> of Reserve Bank of India (Local Area Banks – Governance) Directions, 2025
9.	Appointment of the Chief Compliance Officer (CCO)	Paragraph <u>2.5</u> of Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020
For Review		
10.	Business through brokers in excess of 5% limit	Paragraph <u>91(8)</u> of Reserve Bank of India (Local Area Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025

⁵ The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.

[#] The directions/circulars shall stand modified w.e.f. October 1, 2026 in accordance with the stance indicated herein

S.No	Subject matter	Paragraph reference in extant directions/circulars
For Information / Reporting		
11.	Compromise Settlements and Technical Write-offs	Paragraph <u>23</u> of the Reserve Bank of India (Local Area Banks – Resolution of Stressed Assets) Directions, 2025
12.	Customer Service aspects	Paragraph <u>18</u> of Reserve Bank of India (Local Area Banks-Credit Information Reporting) Directions, 2025
13.	Reporting of annual review of donations made by the bank	Paragraph <u>49</u> of Reserve Bank of India (Local Area Banks – Miscellaneous) Directions, 2025
14.	Fit and proper status of major shareholders	Paragraph <u>18(4)</u> , <u>19</u> , <u>20</u> and <u>21</u> of Reserve Bank of India (Local Area Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
15.	Information Security Governance of Payment Aggregators and Payment Gateways	Paragraph <u>1.1</u> of Annexure 1 to Master Direction on Regulation of Payment Aggregator (PA) dated September 15, 2025
16.	Operational resilience of business units	Paragraph <u>55</u> of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025.
17.	Loans to Related Parties	Paragraph <u>16N</u> of the Reserve Bank of India (Local Area Banks – Credit Risk Management) Directions, 2025
18.	Acquisition of Shares or Voting Rights - Monitoring mechanism to ascertain that a major shareholder has obtained prior RBI approval for acquiring shareholding rights	Paragraph <u>25</u> of Reserve Bank of India (Local Area Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
19.	Report on encumbrance of shares – ongoing monitoring of section 12B (5) of BR Act, 1949	Paragraph <u>28</u> of Reserve Bank of India (Local Area Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025