



## POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

### 1. Scope and Purpose

In terms of Regulation 30 (4) (ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board of Directors (the Board) of the Bank, is required to formulate and adopt a Policy for Determination of Materiality of Events / Information, and upload the same on the website of the Bank. Further, SEBI had vide Circular No. CIR/ CFD/ CMD/ 4/ 2015 dated 9<sup>th</sup> September, 2015, prescribes the details that need to be provided by the Bank, as an listed entity, while disclosing such material events / information.

### 2. Applicability

This Policy for Determination of Materiality of Events / Information (the Policy) shall be applicable and binding in respect of all material events/ information of the Bank and events/information with respect to its Subsidiary Companies which are material for the Bank.

### 3. Key principles in determining materiality

The Listing Regulations have not only provided the manner in which details of such material events / information relating to the affairs of a listed entity is required to be disclosed to the Stock Exchanges, but also its nature and the time limit within which it must be disclosed, to enable the investors and the general public to take an informed decision, with regards to the affairs of the Bank and that of its subsidiary companies, detailed as under.

- i. Events / Information which, in the opinion of the Board of the Bank, are fit to be considered as material and therefore shall be mandatorily disclosed by the Bank to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than 24 (twenty four) hours, from the occurrence of such material event/information.
- ii. Events listed in Para A of Part A of Schedule III of the Listing Regulations, as set out in **Annexure 'A'** to this Policy, shall be mandatorily disclosed by the Bank to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than 24 (twenty four) hours from the occurrence of such event, i.e. without applying any test of materiality.

Events listed in Sub-Para 4 of Para A of Part A of Schedule III of the Listing Regulations, as set out in **Annexure 'B'** to this Policy, are deemed to be material events and as such shall be mandatorily disclosed by the Bank to the Stock Exchanges, within 30 minutes of the conclusion of the Board Meeting.

Further, the intimation of such outcome at the meeting of the Board shall also state the time of commencement and conclusion of the said meeting.

- iii. Events listed in Para B of Part A of Schedule III of the Listing Regulations, as set out in **Annexure 'C'** to this Policy shall be disclosed by the Bank to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than 24 (twenty four) hours from the occurrence of such event, subject to application of the following criteria so as to determine, whether such event is material or not.

- a) Where the omission to disclose an event or information, is likely to result in discontinuity or alteration of the event or information already available publicly; or
  - b) Where the omission to disclose an event or information is likely to result in significant market reaction if such omission comes to light at a later date; or
  - c) Where the criteria specified in sub-clauses (a) and (b) above are not applicable, an event / information may be treated as being material, if in the opinion of Board of the Bank, such event / information is deemed fit to be considered as material, for onward disclosure to the Stock Exchanges.
- iv. Where an event occurs or is available with the Bank, which does not form part of Annexure 'A' or Annexure 'B' or Annexure 'C' as above, but is likely to have a material impact on the Bank, the Bank shall endeavor to make adequate disclosures in this regard.
  - v. Events / Information relating to any major development which is likely to affect the business of the Bank and any other information which is exclusively known to the Bank, which may be required to be disclosed to enable the security holders of the Bank, to appraise its position and to avoid establishment of false market in such securities shall be mandatorily disclosed by the Bank to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than twenty four hours from the occurrence of such event.
  - vi. Events / Information relating to subsidiary companies of the Bank, which are material to the Bank, shall also be disclosed to the Stock Exchange(s).
  - vii. Events / Information having bearing on the performance / operations of the Bank, price sensitive information, or any action that could affect payment of interest or dividend of non-convertible debentures or any other convertible instruments issued by the Bank, from time to time shall be mandatorily disclosed by the Bank to the Stock Exchanges promptly, as soon as practically possible and without any delay.
  - viii. Information pursuant to issuance of non-convertible debentures issued by the Bank, from time to time, as set out in Para B of Schedule III, as set out in **Annexure 'D'** to this Policy.
  - ix. It is clarified that the Bank has not issued, does not currently propose to issue any non-convertible redeemable preference shares. In the event that the Bank at any time in the future does issue non-convertible redeemable preference shares, the Bank shall make such disclosures as set out in Part B of Schedule III under the Listing Regulations.
  - x. Such other information as may be specified by SEBI, from time to time.

In case there is a delay in disclosing the material event / information to the Stock Exchanges, in terms of this Policy, the Bank shall provide appropriate explanation for such delay.

#### **4. Authority to determine materiality of any event / information**

The Managing Director & CEO of the Bank has been authorized by the Board to determine whether or not an event / information could be considered as material for the purpose of disclosing it to the Stock Exchange(s), in terms of the Regulations and this Code.

Further, for administrative convenience, the Managing Director & CEO or Executive Director (Corporate Centre) or the Chief Financial Officer or the Company Secretary or the Chief Investor Relations Officer of the Bank, has been authorized by the Board to disclose the prescribed details of the material events / information, to Stock Exchanges and to respond to any queries that may be raised by the Stock Exchanges, in this regard.

Further, the Managing Director & CEO or the Executive Director (Corporate Centre) or the Chief Financial Officer or Chief Compliance Officer or the Chief Investor Relations Officer or Company Secretary or Head – Corporate Communications of the Bank, as the case may be, is authorized by the Board:

1. To interact or communicate with the Regulators or the Press or the Analysts or the Institutional Investors, on any matter, relating to or arising out of a material event / information, after the same has been disclosed to the Stock Exchanges and uploaded on the website of the Bank.
2. To respond to any queries that may be received from the Regulators or the Press or the Analysts or the Institutional Investors or in Social Media, for verification/clarification of any market rumors relating to the Bank or that any of its subsidiary companies, in terms of the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Bank.

#### **5. Other provisions relating to disclosures**

- i. The Bank shall in respect of disclosures made under the Listing Regulations make disclosures updating material development on a regular basis to the Stock Exchanges, till such time the event is resolved / closed, with relevant explanations.
- ii. The Bank shall upload on its website all such events/ information and host the same for a minimum period of 5 years, after which, the said information will be archived as per its Archival Policy.
- iii. In case of any amendments to the disclosures already made by the Bank or those uploaded on its website, the Bank shall disclose/ upload the amended content, in terms of this Policy.
- iv. The Bank shall provide specific and adequate reply to all queries raised by the Stock Exchanges with respect to any material events or information provided that the Stock Exchanges shall disseminate information and clarification as soon as reasonably practicable.
- v. The Bank may on its own initiative also, confirm or deny any reported event or information to the Stock Exchanges.

#### **6. Review of the Policy**

The Policy shall be reviewed at least annually or pursuant to any amendments to the Listing Regulations or for any reason as deemed appropriate by the Board.

The Managing Director & CEO of the Bank is authorized to carry out necessary changes to the Policy, as and when the same are necessitated or pursuant to any regulatory change. The aforesaid changes as approved by the Managing Director & CEO of the Bank shall be placed at the subsequent meeting of the Board, for its ratification.

The Policy which has been reviewed and ratified by the Board of the Bank at its meeting held on 27<sup>th</sup> July 2021 shall be deemed to have come into effect from the said date.

**The following events / information listed in Para A of Part A of Schedule III of the Listing Regulations shall be mandatorily disclosed by the Bank to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than twenty four hours from the occurrence of such event, i.e. without applying any test of materiality.**

- i. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Bank or any other restructuring.

Explanation: For the purpose of this sub-para, the word 'acquisition' shall mean,-

- 1. acquiring control, whether directly or indirectly; or,
  - 2. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
    - a) the Bank holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said Company; or
    - b) There has been a change in holding from the last disclosure made under sub-clause a) of clause 2 of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- ii. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
  - iii. Revision in Rating(s).
  - iv. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Bank), agreement(s) / treaty (ies) / contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.

Agreements which are executed in the ordinary course of business shall be excluded for the purpose of disclosure to the Stock Exchanges.

- v. Fraud/defaults by promoter or key managerial personnel or by the Bank or arrest of key managerial personnel or promoter.
- vi. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- vii. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

viii. Resignation of independent director including reasons for resignation:

In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

- a) Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
- b) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
- c) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (a) above.

ix. Appointment or discontinuation of share transfer agent.

x. Resolution plan/Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:

- (i) Decision to initiate resolution of loans/borrowings;
- (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
- (iii) Finalization of Resolution Plan;
- (iv) Implementation of Resolution Plan;
- (v) Salient features, not involving commercial secrets, of the resolution/restructuring plan as decided by lenders.

xi. One time settlement with a bank.

xii. Reference to BIFR and winding-up petition filed by any party / creditors.

xiii. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Bank.

xiv. Proceedings of Annual and extraordinary general meetings of the Bank.

xv. Amendments to Memorandum and Articles of Association of the Bank, in brief.

xvi. (a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

(b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:

- (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;

(ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:

The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from 1<sup>st</sup> April 2021 and mandatory with effect from 1<sup>st</sup> April 2022.

- xvii. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), for an event which may require restatement of financial results of the Bank the following disclosures shall be made to the stock exchanges by the Bank:
- a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
  - b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Bank along with comments of the management, if any.]

#### **Clarification**

- (i) Forensic audits refers to those audits, (by whatever name called), which are initiated with the objective of detecting any mis-statement in financials, mis-appropriation/ siphoning or diversion of funds. It does not seek to cover disclosure of audit of matters such as product quality control practices, manufacturing practices, recruitment practices, supply chain process including procurement and matters that would not require any revision to the financial statements disclosed by the listed entity.
  - (ii) The fact of initiation of any forensic audit, (or an audit by whatever name called), by the management of listed entity, lenders, regulatory / enforcement agencies for the purpose mentioned above, are required to be disclosed.
  - (iii) The law has prospective effect. Hence, it applies to all audits which are initiated and audit reports which are finalized after 8<sup>th</sup> October 2020.
  - (iv) In the disclosure of the final forensic audit report, any personally identifiable information including names of individuals and commercially sensitive information, if any, may be expunged.
- xviii. Re-classification of any person as promoter / public:
- a) Receipt of request for re-classification by the Bank from the promoter(s) seeking re-classification;
  - b) Minutes of the Board Meeting considering such request which would include the views of the board on the request;
  - c) Submission of application for re-classification of status as promoter / public by the Bank to the Stock Exchanges;
  - d) Decision of the Stock Exchanges on such application as communicated to the Bank.

#### **Clarification**

The provisions of clause xviii. a) and b) shall not apply in the following cases:

1. If reclassification of promoter(s) is as per the resolution plan approved under section 31 of the Insolvency Code or pursuant to an order of a Regulator under any law subject to the condition that such promoter(s) seeking reclassification shall not remain in control of the listed entity.

2. In case of reclassification pursuant to an open offer or a scheme of arrangement, if the intent of the erstwhile promoter(s) to reclassify has been disclosed in the letter of offer or scheme of arrangement.
- xix. Disclosure of divergence in the asset classification and provisioning, in terms of SEBI Circular no. CIR/CFD/CMD1/120/2019 dated 31<sup>st</sup> October 2019.
- xx. Disclosures of defaults on payment of interest / repayment of principal amount on loans from banks / financial institutions and unlisted debt securities, in terms of SEBI Circular no. SEBI /HO/ CFD/CMD1/CIR/P/2019/140 dated 21<sup>st</sup> November 2019.

**The following Events/Information listed in Sub-Para 4 of Para A of Part A of Schedule III of the Listing Regulations are deemed to be material events and as such shall be mandatorily disclosed by the Bank to the Stock Exchanges within 30 minutes of the conclusion of the Board Meeting.**

- i. Dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
- ii. Any cancellation of dividend with reasons thereof;
- iii. The decision on buyback of securities;
- iv. The decision with respect to fund raising proposed to be undertaken;
- v. Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- vi. Reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- vii. Short particulars of any other alterations of capital, including calls;
- viii. Financial results;

**Clarification**

In case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

- ix. Decision on voluntary delisting by the Bank from Stock Exchanges.



**The following events / information listed in Para B of Part A of Schedule III of the Listing Regulations shall be disclosed by the Bank to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than twenty four hours from the occurrence of such event, subject to application of the criteria as prescribed in point no 3(iv) of this Policy to determine, whether such event is material or not.**

- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any department/division/branch.
- ii. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
- iii. Capacity addition or product launch.
- iv. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- v. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
- vi. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
- vii. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.
- ix. Fraud / defaults etc. by Directors (other than Key Managerial Personnel) or employees of the Bank.
- x. Options to purchase securities including any ESOP / ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety for any third party.
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- xiii. Any other information / event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

**The following events / information having bearing on the performance / operations of the Bank, price sensitive information, or any action that could affect payment of interest or dividend of Non-Convertible Debentures or any other convertible instruments issued by the Bank, from time to time shall be mandatorily disclosed by the Bank to the Stock Exchanges promptly, as soon as practically possible and without any delay.**

- i. Expected default in timely payment of interests or redemption or repayment amount in respect of the non-convertible debt securities and also default in creation of security for debentures as soon as the same becomes apparent.
- ii. Any attachment or prohibitory orders restraining the Bank from transferring non-convertible debt securities from the account of the registered holders along-with the particulars of the numbers of securities so affected, the names of the registered holders and their demat account details.
- iii. Any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any nonconvertible debt securities.
- iv. Any action that shall affect adversely payment of interest on non-convertible debt securities including default by the Bank to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets.
- v. Any change in the form or nature of any of its non-convertible debt securities that are listed on the Stock Exchanges or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the Stock Exchanges so require.
- vi. Any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations.
- vii. Any events such as strikes and lock outs. Which have a bearing on the interest payment / Principal repayment capacity.
- viii. Details of any letter or comments made by debenture trustees regarding payment/nonpayment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, listed entity and /or the assets along with its comments thereon, if any.
- ix. Delay/ default in payment of interest or principal amount /redemption for a period of more than three months from the due date.
- x. Failure to create charge on the assets within the stipulated time period;
- xi. Any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programs of the dues/debts of the listed entity with any investor(s)/lender(s).

Explanation - For the purpose of this sub-para, 'default' shall mean Non-payment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.

- xii. Any major change in composition of its Board of Directors of the Bank, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- xiii. Any revision in the rating.
- xiv. The following approvals by Board of Directors in their meeting:-
  - a. The decision to pass any interest payment.
  - b. Short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way.
- xv. All the information, report, notices, call letters, circulars, proceedings, etc. concerning non-convertible debt securities.
- xvi. Any other change that shall affect the rights and obligations of the holders of non-convertible debt securities, any other information not in the public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the Bank as well as price sensitive information.