

## POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

### 1. Scope and Purpose

The Securities Exchange Board of India (SEBI), on 2<sup>nd</sup> September, 2015, had notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) whereby it has incorporated the provisions of the Listing Agreement relating to Equity & Debt Securities and provided for enhanced disclosure norms. The Listing Regulations have come into effect from 1<sup>st</sup> December 2015.

In terms of Regulation 30 (4) (ii) of the Listing Regulations, the Board of Directors 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, prescribed the details that need to be provided by Listed Companies while disclosing such material events/ information.

### 2. Applicability

Accordingly, this Policy for Determination of Materiality of Events, which has been formulated and adopted by the Board of Directors of the Bank at its meeting held on 19<sup>th</sup> January 2016, in terms of the Listing Regulations, shall be deemed to have come into effect from 1<sup>st</sup> December 2015 and shall be applicable and binding on the Bank and all its Subsidiary Companies.

### 3. Key principles in determining materiality

The Listing Regulations have not only provided for the manner in which details of events/ information relating to the affairs of a listed entity is required to be disclosed to the Stock Exchanges, but also the nature thereof and the time within which it must be disclosed, detailed as under.

- i. Events or information which, in the opinion of the Board of Directors 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 twenty four hours from the occurrence of such event.
- 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 twenty four hours from the occurrence of such event, i.e. without applying any test of materiality.
- iii. 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.
- iv. 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 twenty four hours from the occurrence of such event, subject to application of the following criteria to determine, whether such event is material or not.

- a) Where the omission of 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 of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
  - c) Where the criteria specified in sub-clauses (i) and (ii) above are not applicable, an event / information may be treated as being material, if in the opinion of Board of Directors of the Bank, the event / information is deemed fit to be considered as material, for onward disclosure to the Stock Exchanges. The Board of Directors do hereby authorize the Managing Director & CEO of the Bank to make such determination.
- v. 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.
- vi. Information / event 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.
- vii. Events / information relating to subsidiary companies of the Bank, which are material to the Bank, shall also be disclosed to the Stock Exchange(s).
- viii. 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.

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. 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 issues non-convertible redeemable preference shares, the Bank shall make such disclosures as set out in Part B of Schedule III under the Listing Regulations.

- ix. 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).

Further, for administrative convenience, the Managing Director & CEO or the Chief Financial Officer or the Company Secretary of the Bank, has been authorized by the Board to disclose details of material events/ information, to Stock Exchanges and to respond to any queries that may be raised by the Stock Exchanges in respect thereof.

Further, the Managing Director & CEO or the Deputy Managing Director or the Executive Director (Corporate Centre) or the Chief Financial Officer or the Chief Investor Relations Officer of the Bank, has been authorized by the Board, to interact or communicate with the Press or Analysts or 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 hosted on the website of the Bank.

The 'Chief Investor Relations Officer' of the Bank may also respond to any queries that may be received from the press, electronic/ social media or investors of the Bank, for verification of any market rumors relating to the Bank and/ or any of its subsidiaries, in terms of the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

## **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 Board shall review and amend this Policy, pursuant to any amendment to the Listing Regulations or as and when deemed appropriate.

The Policy which has been reviewed and approved by the Board of Directors of the Bank at its meeting held on 3<sup>rd</sup> November 2018 and the Policy shall be deemed to have come into effect from 3<sup>rd</sup> November 2018.

## **Annexure 'A'**

**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 i) of clause (b) 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. Corporate debt restructuring.
- 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. Schedule of Analyst or Institutional Investor meet and presentations on financial results made by the Bank to Analysts or Institutional Investors.

**Annexure 'B'**

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

## Annexure 'C'

**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(iii) 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.

## Annexure 'D'

**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 programmes 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.