

## POLICY ON DETERMINATION AND DISCLOSURE OF MATERIAL EVENTS / INFORMATION

### 1. NEED AND OBJECTIVE OF THE POLICY:

Securities and Exchange Board of India (SEBI), has on September 02, 2015, notified a comprehensive SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations}, replacing the existing Listing Agreement. The new Regulation shall come into force on the 90<sup>th</sup> day from the date of its publication in Official Gazette, i.e., with effect from December 01, 2015.

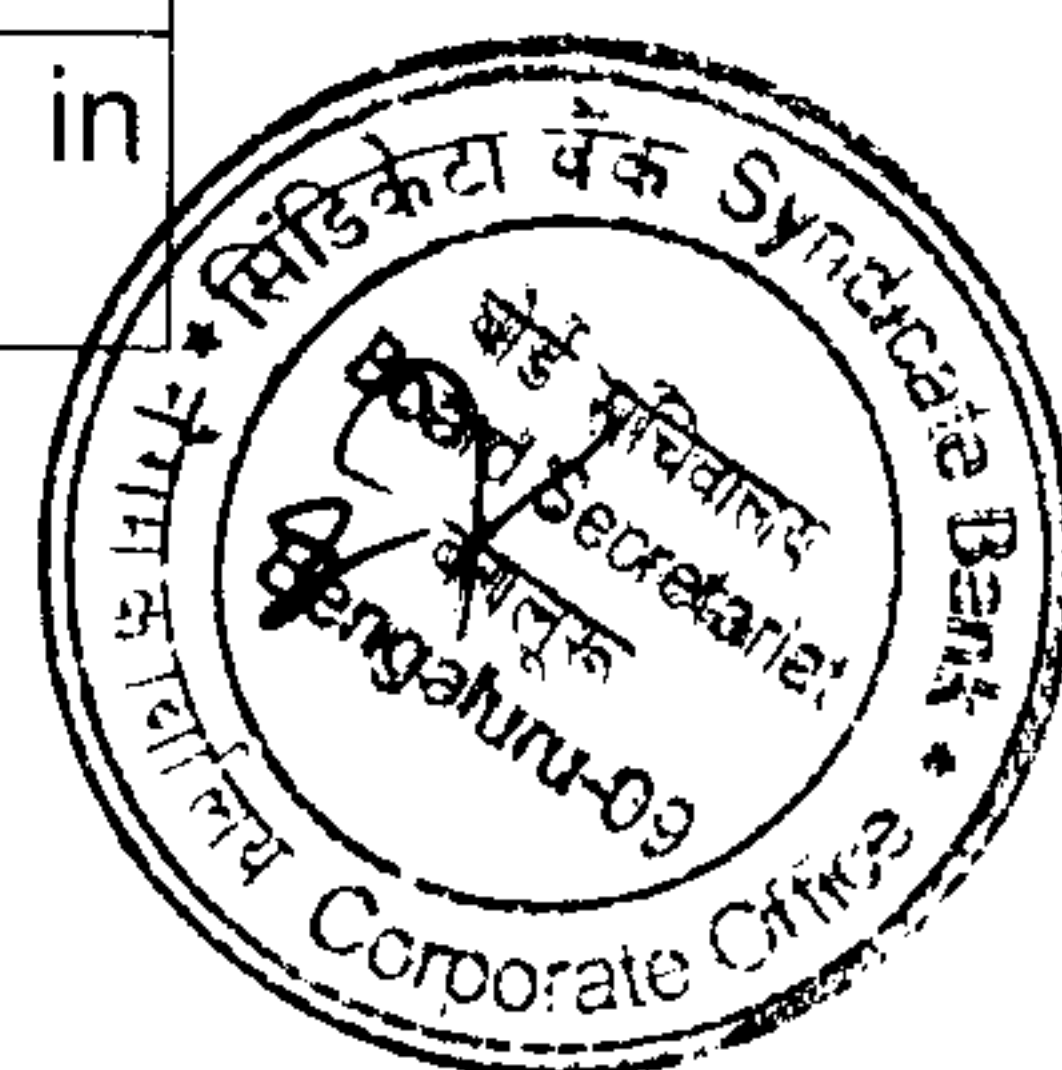
In order to enable investors to make well-informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential. Also, there is a need of uniformity in disclosures made by listed entities to ensure compliance in letter and spirit. Regulation 30 of SEBI (LODR) Regulations deals with disclosure of material events and information by the listed entities and in terms of the Regulation 30(4)(ii) of SEBI (LODR) Regulations, the Bank is required to frame a policy for determination of materiality, based on the criteria specified in SEBI (LODR) Regulations.

This policy, duly approved by the Board of Directors shall be hosted on the website of the Bank.

### 2. NAME OF THE POLICY. - This Policy shall be known as "Policy on Determination of Materiality of events and Information."

### 3. DEFINITIONS:

<b>Board</b>	"Board" means Board of Directors of the Bank
<b>Key Managerial Personnel</b>	"Key Managerial Personnel" means, (i) Managing Director and Chief Executive Officer; (ii) Executive Directors (iii) Chief Financial Officer; (iv) Company Secretary (v) Board Secretary and (vi) such other officer/s as may be prescribed.
<b>Schedule</b>	"Schedule" means Schedule III annexed to SEBI (LODR) Regulations, 2015.
<b>Specified securities</b>	Specified securities means equity shares and other securities listed with the Stock Exchanges.
<b>Material events</b>	Material events are those that are specified in Schedule III to SEBI (LODR) Regulations, 2015.





#### 4. POLICY:

4.1. The events / information that need to be disclosed by the Bank to the Stock Exchanges are broadly divided into the following four categories;

**A. Events to be disclosed without application of the guidelines for determining materiality: {Para A of Part A of Schedule III to the SEBI (LODR) Regulations}**

The following shall be events / information, upon occurrence of which the Bank shall make disclosure to stock exchange(s):

1. 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: "Acquisition" means –

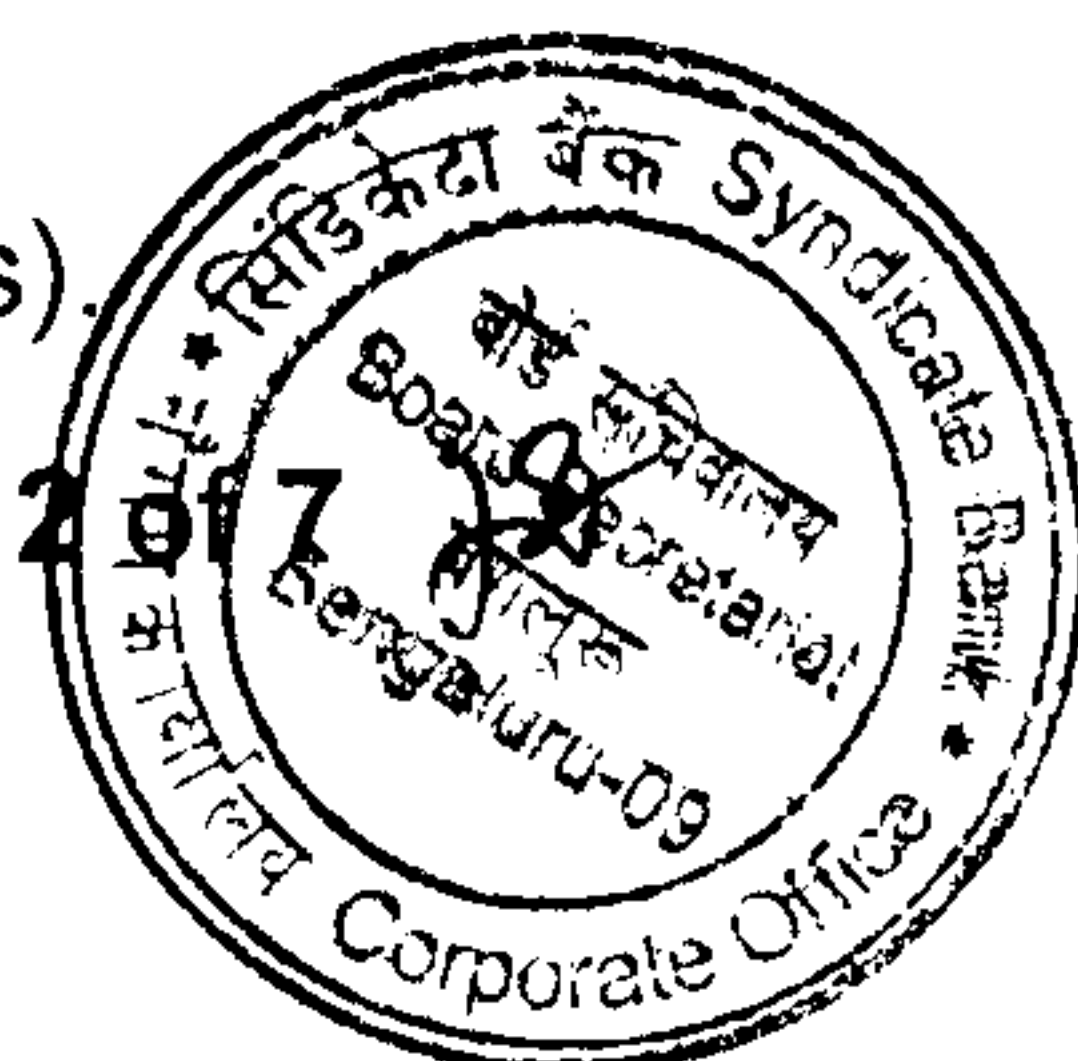
- (i) Acquiring control, whether directly or indirectly; or
- (ii) Acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
  - (a) The Bank holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
  - (b) There has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) 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.

2. 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.

3. Revision in Rating(s).

4. Outcome of Meetings of the Board of Directors held to consider the following:

- a) 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.
- b) Any cancellation of dividend with reasons thereof.
- c) The decision on buy back of securities.
- d) The decision with respect to fund raising proposed to be undertaken.
- e) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited / dispatched.
- f) 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.
- g) Short particulars of any other alterations of capital, including calls.
- h) Financial results.
- i) Decision on voluntary delisting by the Bank from stock exchange(s).





5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), 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.
6. Fraud / defaults by Key Managerial Personnel or by the Bank or arrest of Key Managerial Personnel.
7. Change in Directors, Key Managerial Personnel, Auditor and Compliance Officer.
8. Appointment or discontinuation of Share Transfer Agent.
9. 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.
10. Proceedings of Annual and Extraordinary General Meetings of the Bank.
11. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Bank to analysts or institutional investors.

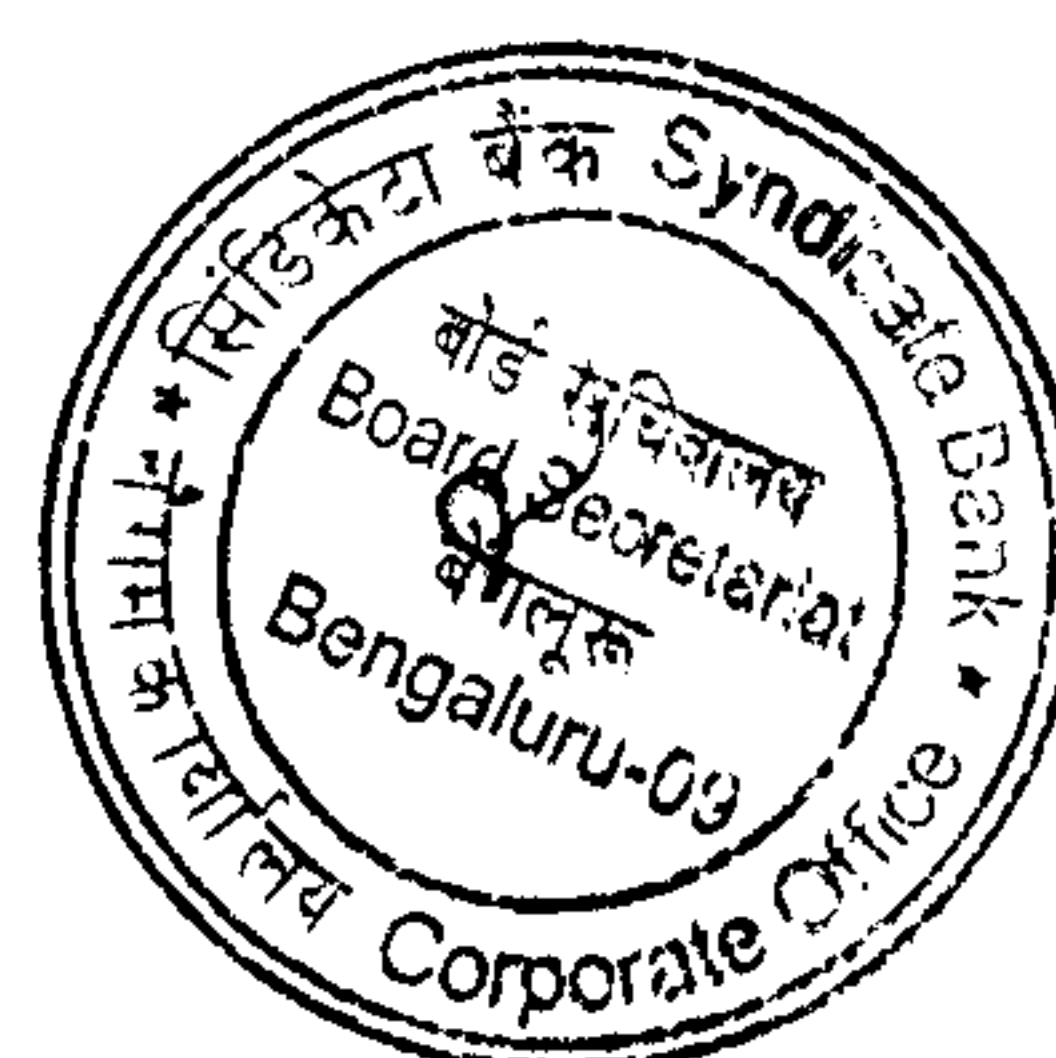
**B. Events to be disclosed upon application of the guidelines for materiality: {Para B of Part A of Schedule III to the SEBI (LODR) Regulations}**

The Company / Bank shall disclose the following events / information upon application of the guidelines / criteria as detailed under Clause 3.3 of this Policy.

- i) 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).
- ii) Awarding, bagging / receiving, amendment or termination of awarded / bagged orders / contracts not in the normal course of business.
- iii) 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.
- iv) 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.-
- v) Effect(s) arising out of change in the regulatory framework applicable to the Bank.
- vi) Litigation(s) / dispute(s) / regulatory action(s) with impact.
- vii) Fraud / defaults etc., by Directors (other than key managerial personnel) or employees of the Bank
- viii) Options to purchase securities including any ESOP/ESPS Scheme.
- ix) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

**C. Any other information / event having significant impact {Para C of Part A of Schedule III to the SEBI (LODR) Regulations}:**

The Bank shall disclose:





- a) any other event / information 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
- b) any other information which is exclusively known to the Bank which may be necessary to enable the holders of securities of the Bank to appraise its position and to avoid the establishment of a false market in such securities.

**D. Any other event / information specified by SEBI {Para D of Part A of Schedule III to the SEBI (LODR) Regulations}:**

Without prejudice to the generality of Clause A, B and C above, the Bank shall make disclosure of event / information as specified by SEBI from time to time.

SEBI vide circular CIR/CFD/CMD/4/2015 dated September 09, 2015, has indicated the details to be provided to the stock exchanges while disclosing the material events and also provided guidelines on when an event / information can be said to have occurred and the same are enclosed as Annexure - IV to this Policy, for guidance.

**4.2. Criteria for determination of materiality:**

The Bank shall consider the following criteria for determination of materiality of events / information for disclosure:

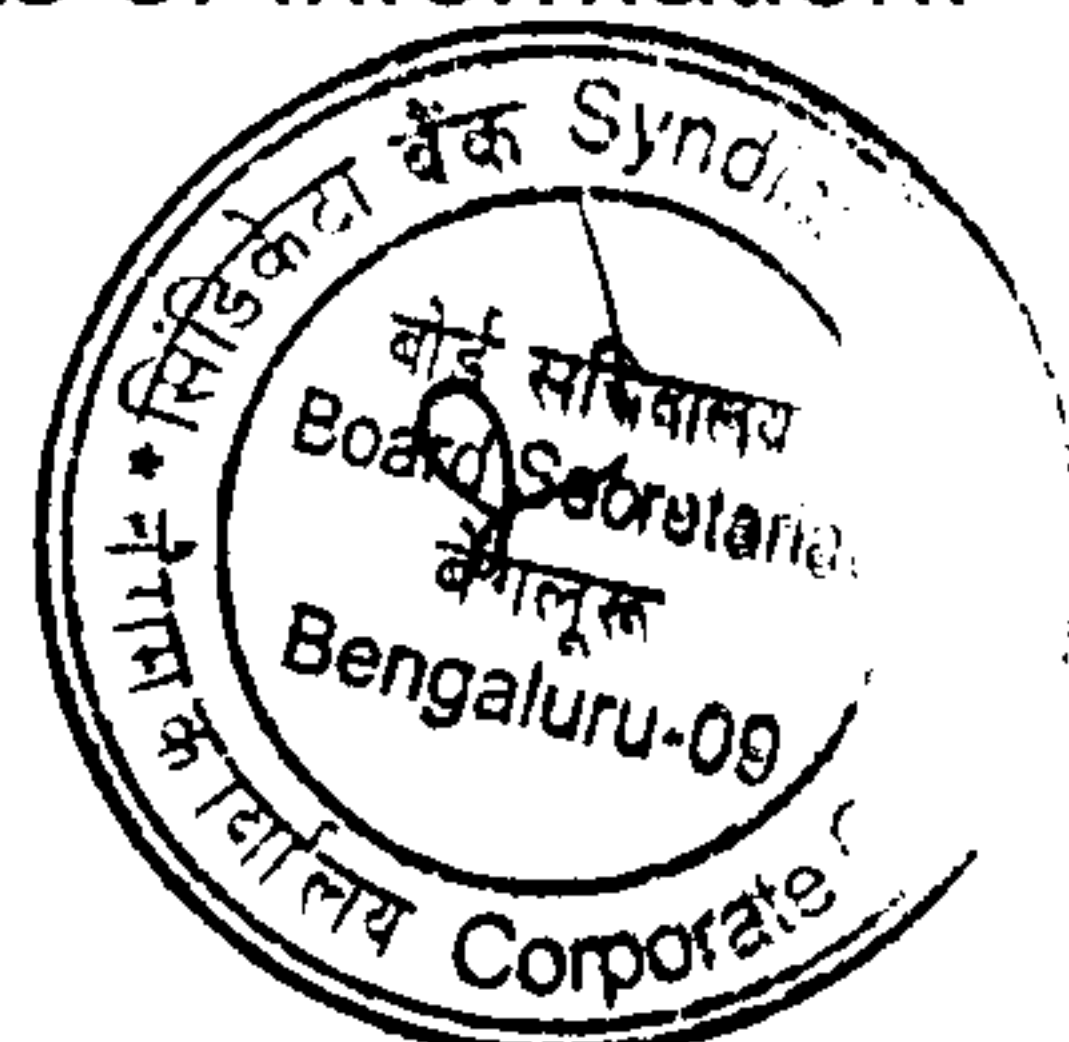
- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event / information may be treated as being material if in the opinion of the Board of Directors of the Bank, the event / information is considered material.

**4.3. Timeline for disclosure:** The Bank shall disclose the material events as specified and within the time limit prescribed by SEBI from time to time.

**4.4.** The Bank shall, with respect to disclosures referred to in SEBI (LODR) Regulations, make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.

**4.5.** The Bank shall disclose all material events or information with respect to its material subsidiaries, if any, to the stock exchanges, where the shares of the Bank are listed.

**4.6.** The Bank shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.



4.7. The Bank may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

5. **WEBSITE UPDATION:**

The Bank shall disclose on its website all such material events or information which has been disclosed to stock exchange(s) under SEBI (LODR) Regulations and such disclosures shall be hosted on the website of the Bank for a minimum period of eight years or as per the Archival Policy of the Company / Bank.

6. **AUTHORITY FOR DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS / INFORMATION:**

In terms of Regulation 30(5) of SEBI (LODR) Regulation the Board of Directors of the Company/ the Bank shall authorize one or more Key Managerial Personnel for the purpose of determining the materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges and that the contact details of such personnel shall be disclosed to the stock exchange(s) and as well as on the Bank's website.

7. **IMPLEMENTATION OF POLICY.**

All the Functional Heads shall report important events, if any, which may occur in their area of operation, to the Company Secretary or any other person authorized by the Board immediately on happening of such events to enable determination of its materiality and for disclosure to the stock exchanges, if necessary.

In order to determine whether a particular event/information is material in nature, the Bank/ Company may consider the 'quantitative' and/or 'qualitative criteria(s) mentioned below:

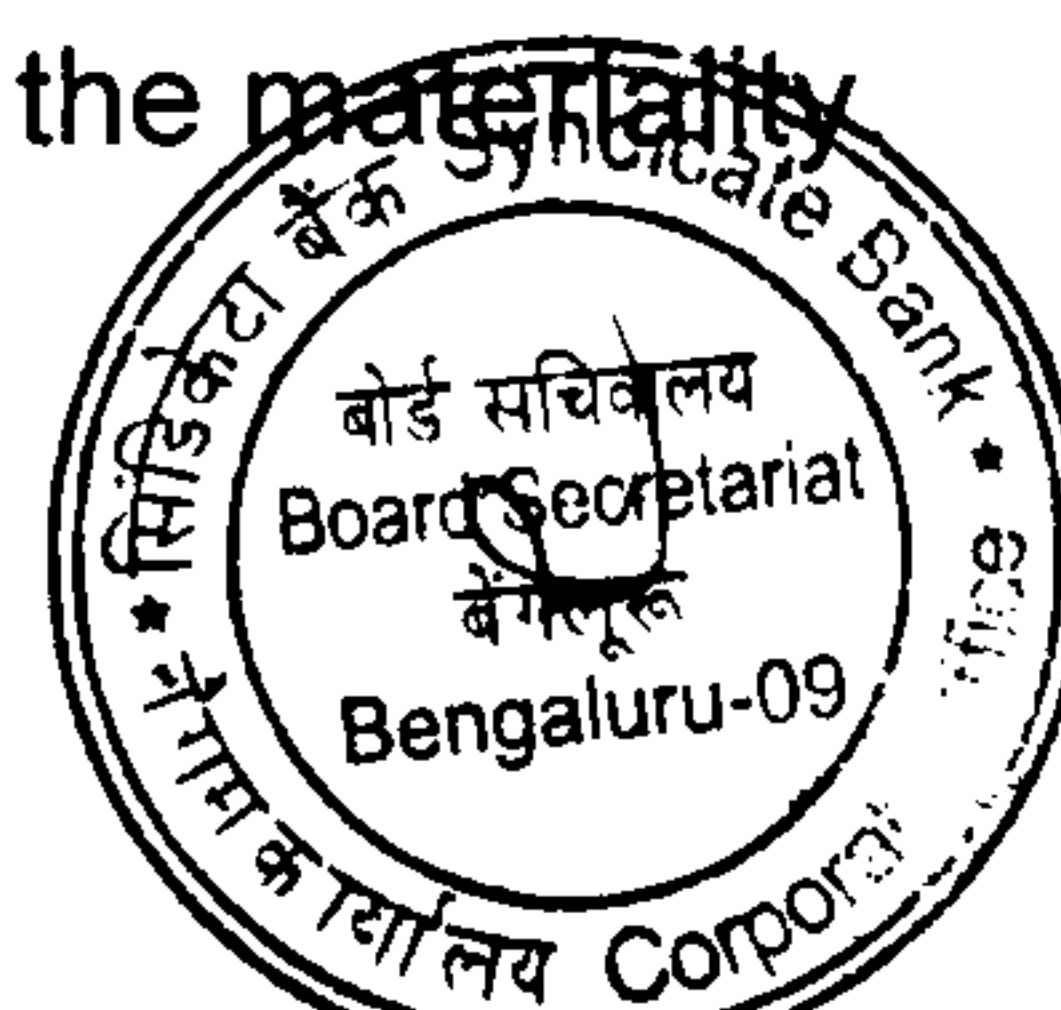
(a) Quantitative:

- where the value involved or the impact exceeds 5% of the gross turnover or revenue or total income of the Bank / Company as per the last audited financial statements or exceeds 20% of the net worth of the Bank / Company as per the last audited financial statements; (the lower of the two thresholds shall be taken as the trigger);

(b) Qualitative:

- omission of which is likely to :
  - result in a discontinuity of information already available publicly; or
  - result in significant market reaction if the said omission came to light at a later date

In circumstances where the 'quantitative' test may not be applicable, the 'qualitative', test may be applied to determine the materiality



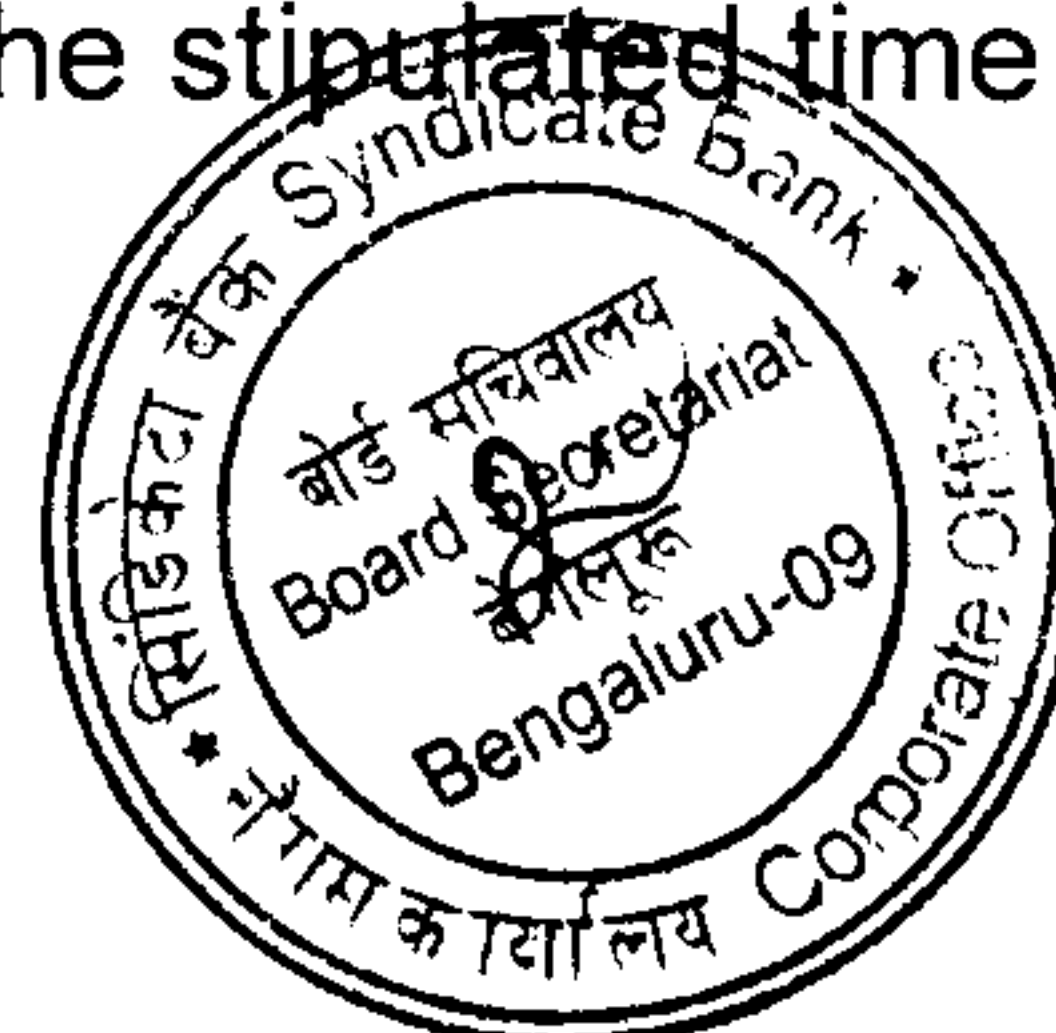


## Annexure – I

### **PART B : DISCLOSURE OF INFORMATION HAVING BEARING ON PERFORMANCE / OPERATION OF LISTED ENTITY AND/OR PRICE SENSITIVE INFORMATION: NON-CONVERTIBLE DEBT SECURITIES & NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES**

The listed entity shall promptly inform to the stock exchange(s) of all information which shall have bearing on performance/operation of the listed entity or is price sensitive or shall affect payment of interest or dividend of non-convertible preference shares or redemption of non convertible debt securities or redeemable preference shares including :

- 1) expected default in timely payment of interests/preference dividend or redemption or repayment amount or both in respect of the non-convertible debt securities and non-convertible redeemable preference shares and also default in creation of security for debentures as soon as the same becomes apparent;
- 2) any attachment or prohibitory orders restraining the listed entity from transferring non-convertible debt securities or non-convertible redeemable preference shares 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;
- 3) any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any non-convertible debt securities or reduction, redemption, cancellation, retirement in whole or in part of any non-convertible redeemable preference shares;
- 4) any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets;
- 5) any change in the form or nature of any of its non-convertible debt securities or non-convertible redeemable preference shares that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;
- 6) 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;
- 7) any events such as strikes and lock outs. which have a bearing on the interest payment / dividend payment / principal repayment capacity;
- 8) details of any letter or comments made by debenture trustees regarding payment / non-payment 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;
- 9) delay/ default in payment of interest or dividend / principal amount / redemption for a period of more than three months from the due date;
- 10) failure to create charge on the assets within the stipulated time period;



- 11) 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).
- 12) any major change in composition of its board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- 13) any revision in the rating;
- 14) 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;
- 15) all the information, report, notices, call letters, circulars, proceedings, etc., concerning non-convertible redeemable preference shares or non convertible debt securities;
- 16) any other change that shall affect the rights and obligations of the holders of non-convertible debt securities / non-convertible redeemable preference shares, 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 listed entity as well as price sensitive information.

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