



**POLICY FOR
DETERMINATION
OF MATERIALITY
OF INFORMATION /
EVENT(S)**

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Board Secretariat
Corporate Headquarters, M. A. Road,
Srinagar 190001, Kashmir, India.
Phone: +911942483775 / FAX: +911942481928
Email: board.sectt@jkbmail.com



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1. INTRODUCTION, OBJECT AND SCOPE:

Regulation 30(4) (ii) of SEBI (Listing Obligation and Disclosure Requirements), 2015 (“**2015 SEBI Regulations**”), requires that a listed entity shall frame a policy for determination of materiality and disclosure of events/information, based on the criteria specified in Sub-Regulation 4(i) of Regulation 30 of SEBI (LODR), 2015, duly approved by Board of Directors. In Compliance to the said regulations, Jammu and Kashmir Bank Limited (hereinafter referred as “Bank”) has formulated this policy (“Policy”) for determination of materiality of certain events/ information for appropriate disclosures as required thereunder.

2. DEFINITIONS & INTERPRETATIONS:

The terms and expressions used but not defined herein shall have the same meaning as assigned to those terms under the 2015 SEBI Regulations, the Companies Act, 2013, the Securities Contracts (Regulations) Act, 1956 or any other applicable laws or regulations, as the case may be.

3. CRITERIA FOR DETERMINING MATERIAL INFORMATION/EVENTS.

While determining materiality of events/ information mentioned in the Regulation 30(4) of the **2015 SEBI Regulations**, the Bank shall consider the following criteria and principles:

- a) Whether the omission to report the particular event/information is likely to result in discontinuity or alteration of the event/information already available publicly;
- b) Whether the omission to report the particular event/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 person(s) responsible for determining the materiality of any information or the event is considered material.

As per **2015 SEBI Regulations**, in case of Events where the above criteria is not applicable, an Event may be considered material if, the Board of Directors, in their opinion, consider the event as material event, warranting disclosure.

4. EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF GUIDELINES FOR MATERIALITY REFERRED TO IN REGULATION 30 (4) OF 2015 SEBI REGULATIONS :

The following are the Event(s) to which the criteria for materiality as enumerated in Clause -3 hereinabove shall be applied:

- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- 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 Bank.
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.
- ix. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
- x. Options to purchase securities including any ESOP/ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety for any third party other than in the ordinary course of Business of Banking.
- 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. any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof. Any other information which is exclusively known to the Bank, which is necessary to enable holders of the Bank's securities to appraise its position and to avoid creation of a false market in the Bank's securities or any other information having bearing on the operation/ performance of the Bank as well as price sensitive information.

5. EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY AS SPECIFIED IN REGULATION 30 (4):

- 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 listed entity or any other restructuring.
- 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. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, 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 buyback 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 listed entity from stock exchange(s):
- V. 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.
- VI. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.

- VII. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- VIII. 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.
- IX. 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) The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - a) (i) Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any..
 - 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 disclosures as specified above.
- X. Appointment or discontinuation of share transfer agent.
- XI. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
- a) Decision to initiate resolution of loans/borrowings;
 - b) Signing of Inter-Creditors Agreement (ICA) by lenders;
 - c) Finalization of Resolution Plan;
 - d) Implementation of Resolution Plan;
 - e) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.]
- XII. One time settlement with a bank.
- XIII. Reference to BIFR and winding-up petition filed by any party / creditors.

- XIV. 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 listed entity.
- XV. Proceedings of Annual and extraordinary general meetings of the listed entity.
- XVI. Amendments to memorandum and articles of association of listed entity, in brief.
- 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 was voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.]
- XVII. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
- d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;

- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- k) Approval of resolution plan by the Tribunal or rejection, if applicable;
- l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - (i) Pre and Post net-worth of the company;
 - (ii) Details of assets of the company post CIRP (Corporate insolvency resolution Proceedings) ;
 - (iii) Details of securities continuing to be imposed on the companies' assets;
 - (iv) Other material liabilities imposed on the company;
 - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (vi) Details of funds infused in the company, creditors paid-off;
 - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - (viii) Impact on the investor – revised P/E (Price/Earnings), RONW (return on net worth) ratios etc.
 - (ix) Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - (x) Brief description of business strategy.
- m) Any other material information not involving commercial secrets.}
- n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o) Quarterly disclosure of the status of achieving the MPS (Marginal propensity to save) ;
- p) The details as to the delisting plans, if any approved in the resolution plan.

- XVIII. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:
- 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 listed entity along with comments of the management, if any.

6. STATUTORY AND REGULATORY DICLOSURES.

- I. Disclosures of events listed in clause-5, as applicable, shall be furnished to the Stock Exchange(s) as soon as reasonably possible and not later than twenty four hours from the occurrence of the event or information, or as per the applicable provisions of the applicable law or the **2015 SEBI Regulations**.
- II. The events listed Clause 5 (IV) above will be disclosed wherever applicable within thirty minutes of the conclusion of the board meeting of the Bank. Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, Bank shall, along with such disclosures provide explanation for delay. The Bank would disclose other events/ information meeting the materiality criteria/ threshold as per this Policy as soon as reasonably possible when the credible and concrete information of the occurrence comes to the Bank or as required under the applicable provisions of the **2015 SEBI Regulations** or applicable laws.
- III. The Bank may make disclosure of events/ information as may be specified by the Board of Directors from time to time.
Explanation: For the purpose of this Clause, “occurrence” shall mean: When the Board of Directors of the Bank and/ or the shareholders of the Bank approved the event/ information/ disclosure or when the Board of Directors became aware of the event/ information or as per applicable law.
- IV. All such material events/ information as disseminated on the Stock Exchanges shall be displayed on the Bank’s website for a period of 5 years, and thereafter as per the archival policy of the Bank;
- V. For the purpose of this policy, the Audit Committee of the Board may recommend the determination of any additional material event or information to be disclosed appropriately or in proper and transparent manner. The Board while approving or reviewing the Policy may consider such recommendations.

7. AUTHORITY COMPETENT TO DETERMINE THE MATERIALITY OF EVENT/INFORMATION.

In terms of regulation 30 (5) of 2015 SEBI Regulations, the Board of directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website.

For the purpose of determining materiality of an event or information, the Executive Director (ED), the Chief Financial Officer (CFO), Company Secretary/ Compliance Officer or any other Key Managerial Personnel (KMP) in consultation with MD & CEO of Bank shall determine the materiality of an event /information, who then shall pass on the said information to the Compliance Officer/ Company Secretary of the Bank for onward dissemination to the Stock Exchanges.

8. GUIDANCE ON WHEN AN EVENT/ INFORMATION HAS OCCURRED

Where the Bank confronts with the questions or where the Bank is not able to decide as to when an event/information can be said to have occurred, the Compliance officer in consultation with the Chairman or any other authorized KMP shall determine the stage of occurrence of the event/ information which can be broadly divided into two (2) instances i.e.

- a. in certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and
- b. in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the Bank became aware of the event/information.
 - i. In the situation (a), the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.
 - ii. In the situation (b), the events/information can be said to have occurred when the Bank becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

9. APPLICABILITY OF LAWS & AMMENDMENTS.

In case any of the provisions of this Policy are inconsistent with the applicable laws, then the provisions of applicable laws shall prevail over the Policy to that extent and the Policy shall be deemed to have been amended so as to be read in consonance with applicable laws.

Any guideline(s) issued by Regulator/s with regard to Materiality of information and/or any other matter dealt with by this Policy shall be deemed to be part & parcel of this policy for operational purpose with immediate effect.

10. OWNERSHIP & REVIEW OF THE POLICY

The policy shall be subject to Biennial review. The Board Secretariat shall place the review of the Policy before the Audit Committee of the Board (ACB) for their recommendation to the Board for approval. Approved revised Policy & Guidelines will remain in force till next review.

Annexures Nil



The Jammu and Kashmir Bank Limited
Corporate Headquarters, M. A. Road,
Srinagar 190001, Kashmir (J&K)
www.jkbank.com, www.jkbank.net

