



**Utkarsh Small Finance Bank**

**POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION TO BE  
DISCLOSED TO THE STOCK EXCHANGES**



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## 1. Background

Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**") requires our Bank to frame a policy for determination of materiality for disclosure of events or information to the stock exchanges, based on criteria specified in the Listing Regulations and duly approved by its board of directors.

The Bank's non-convertible debentures (NCDs) are already listed on BSE Limited and the Bank has entered into a listing agreement in the prescribed format with BSE Limited for its NCDs.

The Bank post listing of its equity shares will be required to comply with the continuous disclosure obligations imposed by Listing Regulations with respect to its proposed listing of equity shares with the stock exchanges. Hence, in compliance with Regulation 30 of the Listing Regulations, the board of directors of the Bank ("**Board**") has adopted this policy for determination of materiality of events / information to be disclosed to the stock exchanges ("**Policy**").

## 2. Authorised personnel

The board of directors of the Bank has authorised the Key Managerial Personnel ("**KMPs**") and other senior managerial officials comprising the Managing Director and Chief Executive Officer, Chief Financial Officer, Chief Compliance Officer, Head of Operations, Chief Human Resource Officer and Company Secretary of the Bank ("**Authorised Personnel**") to determine the materiality of an event or information and to make appropriate disclosure on a timely basis to the stock exchanges.

## 3. Disclosure of events or information to stock exchanges

The events or information which will be necessary to be disclosed to the stock exchanges are divided into three categories as specified under the Listing Regulations:

### a) Events whose disclosure is mandatory and which would need to be disclosed without any application of the test/guidelines for materiality.

The below events will be disclosed as soon as reasonably possible and not later than 24 hours from the occurrence of event or information except for events stated in item (iv) below which shall be disclosed within 30 minutes of the conclusion of the board meeting. In case the disclosure is made after 24 hours of occurrence of the event or information, the rationale for the delay will be provided along with such disclosures.

- 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 our Bank 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:
  - 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 our Bank 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 our 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 our Bank 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, detailed reasons for resignation of auditor, as given by the said auditor shall be disclosed to the stock exchanges as soon as possible but not later than 24 hours of receipt of such reasons from the auditor;
- ix. In case of resignation of an independent director of our Bank, within seven days from the date of the resignation, the detailed reasons for the resignation of independent directors as given by the said director and a confirmation from the



said director that there is no other material reasons for resignation other than those provided, shall be disclosed to the stock exchanges;

- x. Appointment or discontinuation of share transfer agent;
- xi. Corporate debt restructuring;
- 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 our Bank;
- xv. Proceedings of Annual and extraordinary general meetings of our Bank;
- xvi. Amendments to memorandum and articles of association of our Bank, in brief;
- xvii. Schedule of analyst or institutional investor meet and presentations on financial results made by the Bank to analysts or institutional investors;
- xviii. The following events in relation to the Corporate Insolvency Resolution Process ("**CIRP**") of a listed corporate debtor under the Insolvency and Bankruptcy Code, 2016:
  - 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 National Company Law Tribunal, along with amount of default or rejection or withdrawal, as applicable;
  - d) Public announcement made pursuant to order passed by the National Company Law Tribunal under section 13 of the Insolvency and Bankruptcy Code, 2016;
  - 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 the Insolvency and Bankruptcy Code, 2016 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 National Company Law Tribunal;
- k) Salient features, not involving commercial secrets, of the resolution plan approved by the National Company Law Tribunal, in such form as may be specified;
- l) Any other material information not involving commercial secrets; and
- m) Approval of resolution plan by the National Company Law Tribunal or rejection, if applicable

b) **Events which may be disclosed to the stock exchanges based on the test of materiality**

The events as mentioned in Annexure A will 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 test of materiality and key principles for determination of materiality as outlined hereunder:

- i. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. The omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date;
- iii. In case where the criteria specified in clause (i) and (ii) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of our Bank, the event / information is considered material.

The Authorised Personnel under this Policy will determine on the disclosure of events or information to the stock exchanges based on the application of the test of materiality as mentioned above. In addition to this, the Authorised Personnel while determining the materiality will do so on a case to case basis depending on specific facts/circumstances relating to the information/event and apply such other qualitative/quantitative criteria if required and as may be deemed appropriate to the event.

- c) 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 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 and any event/information as specified by the board of the directors from time to time shall also be disclosed by our Bank.



The Authorised Personnel shall make such disclosures to the stock exchanges updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

#### **4. Website**

This Policy shall be disclosed on our website at <https://www.utkarsh.bank/our-policies>.

Further, all such events or information disclosed to the stock exchange(s) shall be hosted on the website of our Bank at <https://www.utkarsh.bank/our-policies> for a minimum period of five years and thereafter as per our archival policy, as disclosed on our website.

#### **5. Amendments to the Policy**

The Authorised Personnel will review the Policy from time to time or as and when any regulatory or statutory changes are made in the applicable law which may affect the content of the Policy. All such amendments will be informed to the board and the approval of the board will be sought to align the Policy in line with such changes in the applicable law.



## Annexure A

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 test of materiality as prescribed in point no 3(b) 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 (except product launch which are in ordinary course of banking activity).
- 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 Bank 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 material 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 (except those which are in normal course of banking business activity).
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.