



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

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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. Any of the following events pertaining to the Bank:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operation of any unit, division or subsidiary (in entirety or in 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) 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Bank.
- ix. Frauds or defaults by employees of the Bank which has or may have an impact on the Bank.
- x. Options to purchase securities including any ESOP/ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
- xii. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.
- 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 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.

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

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. Expression acquisition shall have same meaning as provided in Explanation -1, appended to point no 1 of Schedule-III, Part A of SEBI (LODR) regulations, 2015.
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. New Rating(s) or Revision in Rating(s)

4. Outcome of Meetings of the board of directors:

The Bank shall disclose to the Exchange(s), the outcome of meetings of the board of directors held to consider the following:

- a) dividends 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 including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method;
- 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), 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.

5 A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Bank or of its holding, subsidiary or associate company, among themselves or with the Bank or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Bank or impose any restriction or create any liability upon the Bank, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Bank is a party to such agreements.

6. Fraud or defaults by a Bank, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Bank, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

(i) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, and subsidiary shall mean default which has or may have an impact on the Bank.

Explanation 3 - Fraud by senior management, other than who is promoter, director or key managerial personnel, shall be required to be disclosed only if it is in relation to the Bank.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
- 7A. In case of resignation of the auditor of the Bank, 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.
- 7B. Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the Bank, 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.
- 7C. In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along

with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.

- 7D. In case the Managing Director or Chief Executive Officer of the Bank was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
8. Appointment or discontinuation of share transfer agent.
9. 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.]
10. One time settlement with a bank.
11. Winding-up petition filed by any party / creditors.
12. 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.
13. Proceedings of Annual and extraordinary general meetings of the Bank.
14. Amendments to memorandum and articles of association of Bank, in brief.
15. (a).
- (i) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet);
 - (ii) Presentations prepared by the Bank for analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed to the recognized stock exchanges prior to beginning of such events.

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

Explanation II: Disclosure of names in the schedule of analysts or institutional investors meet shall be optional for the Bank.

- b) Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:
 - (i) The audio 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 video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls;
 - (iii) the transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchanges within five working days of the conclusion of such calls.
16. 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 personnel, 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) Proposed steps to be taken by the incoming investor/acquirer for Achieving the MPS;
 - n) Quarterly disclosure of the status of achieving the MPS (Marginal propensity to save);
 - o) The details as to the delisting plans, if any approved in the resolution plan.
17. 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 Bank along with comments of the management, if any.

Explanation- For the purpose of this sub-paragraph, forensic audit refers to the audits, by whatever name called, which are initiated with the objective of detecting any mis-statement in financial statements, mis-appropriation, siphoning or diversion of funds and does not include audit of matters such as product quality control practices, manufacturing practices, recruitment practices, supply chain process including procurement or other similar matters that would not require any revision to the financial statements disclosed by the Bank.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Bank, in relation to any event or information which is material for the Bank in terms of regulation 30 of these regulations and is not already made available in the public domain by the Bank.

Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Bank or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Bank, in respect of the following:
- a. search or seizure; or
 - b. re-opening of accounts under section 130 of the Companies Act, 2013; or
 - c. investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the Bank, quantifiable in monetary terms to the extent possible.
20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Bank or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Bank, in respect of the following:
- (a) suspension;
 - (b) imposition of fine or penalty;
 - (c) settlement of proceedings;
 - (d) debarment;
 - (e) disqualification;
 - (f) closure of operations;
 - (g) sanctions imposed;
 - (h) warning or caution; or
 - (i) any other similar action(s) by whatever name called;
- along with the following details pertaining to the actions(s) taken or orders passed:

- i name of the authority;
- ii nature and details of the action(s) taken, or order(s) passed;
- iii date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- iv details of the violation(s)/contravention(s) committed or alleged to be committed;
- v impact on financial, operation or other activities of the Bank, quantifiable in monetary terms to the extent possible.

Explanation- Imposition of fine or penalty shall be disclosed in the following manner along with the details pertaining to the action(s) taken or orders passed as mentioned in the sub-paragraph:

- i disclosure of fine or penalty of rupees one lakh or more imposed by sectoral regulator or enforcement agency and fine or penalty of rupees ten lakhs or more imposed by other authority or judicial body shall be disclosed within twenty four hours.
- ii disclosure of fine or penalty imposed which are lower than the monetary thresholds specified in the clause (i) above on a quarterly basis in the format as may be specified.

21. Voluntary revision of financial statements or the report of the board of directors of the Bank under section 131 of the Companies Act, 2013.

Notwithstanding the generality on the clauses 4 and 5 above, The Bank may make disclosures of event/information as specified by the Board from time to time.

6. STATUTORY AND REGULATORY DISCLOSURES.

- A. In terms of regulation 30(6) of SEBI (LODR) Regulations, 2015, the Bank shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of the regulation as soon as reasonably possible and in any case not later than the following:

- i. thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- ii. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Bank;
- iii. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Bank:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the regulations [events stated in clauses 4 & 5 ante of this policy) shall be made within such timelines.

Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.

- B. 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;
- C. 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 MD& CEO 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 ownership of this policy shall be with Board Secretariat Department. The periodicity of review of policy shall be **biennial review**. In the event of any amendment to the statutes/ rules/regulatory guidelines applicable to the policy, same shall be deemed to be part of the policy from the effective date of the amendment. Such changes shall be incorporated in the policy immediately with the approval of MD & CEO and brought to the notice of Board and /or its relevant Committee (s), in the form of an information item, in the meeting that immediately follows. The responsibility for updating the policy shall be that of the owner Department.

Where a change in policy is necessitated by exigencies like developments in industry practice, market needs etc., same shall be placed before the Board and/or its relevant Committee(s) for review and approval, before they become a part of the policy.

Annexures Nil



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