



**POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION FOR DISCLOSURES**

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## A. INTRODUCTION AND PURPOSE

Bank recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business, ethics and accountability to its shareholders, customers, government and others. The Bank is committed to being open and transparent with all stakeholders and in disseminating information in a fair and timely manner.

Securities and Exchange Board of India (“SEBI”) with the objective of bringing the basic framework governing the regime of listed entities in line with the Companies Act, 2013 and at the same time compiling all the mandates of varied regulations/circulars issued by SEBI governing equity as well as debt segments of capital market under the ambit of a single document, has notified Listing Regulations on September 02, 2015. Listing Regulations have come into force from December 01, 2015.

Regulation 30 of the Listing Regulations mandates all listed entities to frame a “Policy for determination of materiality of events / information for disclosures”, approved by its Board. The said Regulation also mandates all listed entities to report –

- (a) all material events that are either specified in the Regulations; and
- (b) all other events which are determined as material events based on the criteria for determination of materiality of events / information specified in the Regulations.

In compliance with Regulation 30 of the aforesaid Regulations, the Bank has framed implemented the “Policy for determination of materiality of events / information for disclosures”.

## B. DEFINITIONS

- a. **“Bank”** means Ujjivan Small Finance Bank Limited
- b. **“Board”** means Board of Directors of the Bank
- c. **“Board Meeting”** means meeting of the Board
- d. **“Key Managerial Personnel or KMPs”** means Managing Director and CEO, Chief Financial Officer and Company Secretary of the Bank
- e. **“Listing Regulations or Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- f. **“Material information”** includes information related to the Bank's business, operations, or performance which has a significant effect on securities investment decisions
- g. **“Policy”** shall mean Policy for determination of materiality of events / information for disclosures framed and formulated by the Bank under Regulation 30 of Listing Regulations

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992 or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

### C. OBJECTIVE OF THE POLICY

The objectives of the Policy are as follows:

- a. To ensure that the Bank complies with the Listing Regulations.
- b. To ensure that the information disclosed by the Bank is timely and transparent.
- c. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- d. To protect the confidentiality of Material / Price sensitive information within the framework of the Bank's disclosure obligations.
- e. To provide a charter that supports and fosters confidence in the quality and integrity of information released by the Bank.
- f. To ensure uniformity in the Bank's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

This Policy shall be read along with the Bank's Code of Conduct for Prevention of Insider Trading and Code of Fair Disclosure and Conduct framed in adherence to the Principles for Fair Disclosure as outlined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

### D. TYPE OF INFORMATION AND ITS DISCLOSURE

The information covered by this Policy shall include material information that the Bank is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

The information which needs to be disclosed to the Stock Exchanges and when to be disclosed has been broadly segregated into the following types:

- 1) Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation 30 and mentioned in Part A of Schedule III of the Listing Regulations are specified in Annexure 1.**

All the events or information, as specified in Part A of Schedule III of the Listing Regulations, shall be disclosed as soon as reasonably possible and **not later than twenty-four hours** from the occurrence of event or information:

*Provided that in case the disclosure is made after twenty-four hours of occurrence of the event or information, the Bank shall along with such disclosures provide an explanation for such delay.*

***Provided further that disclosure with respect to following events as specified in sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations shall be made within thirty minutes (30 minutes) of the conclusion of the Board Meeting:***

- 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 would 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);

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

- 2) Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of Regulation (30) of the Listing Regulations are specified in Annexure 2.**
- 3) 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.**

Without prejudice to the generality of para 1) to 3) above, the Bank may make disclosures of event/information as may be specified by the SEBI from time to time.

#### **E. PERSONS RESPONSIBLE FOR DISCLOSURE**

The Board has authorized the KMPs to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The KMPs are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

The KMPs shall have the following powers and responsibilities for determining the material events or information:

- a. To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point of time.
- b. To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.

- c. To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.
- d. To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.

*Bank's KMPs shall act as the coordinators and liaising officers for dissemination of material events / information to the Stock Exchanges.*

#### **F. GUIDELINES FOR ASSESSING MATERIALITY**

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following qualitative criteria will be applicable for determining materiality of event or information:

- (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, the event / information is considered material.

The Bank may also consider the following Quantitative materiality threshold in order to determine whether any particular event / information is material in nature:

Quantitative Materiality Threshold: The KMP of the Bank is authorised to determine on the materiality and disclosure of events, based on facts/ circumstances, to the Stock Exchanges and shall apply such other qualitative/ quantitative criteria, if required, and as may be deemed appropriate while analysing the events also having regard to the nature of business of banking and to the fact that certain events may be in the ordinary or regular course of business.

***The said threshold shall be determined on the basis of audited annual financial statements of the last financial year.***

If a particular Event / Information satisfy any of the Qualitative criteria or Quantitative threshold, the Bank shall disclose the same to the Stock Exchanges.

- (d) Any other event as may be specified by SEBI from time to time.

## **G. OBLIGATIONS OF INTERNAL STAKEHOLDERS AND KMPs FOR DISCLOSURE**

Any event or information, including the information forming part of Annexure-1 and Annexure-2 to the Policy shall be forthwith informed to the KMPs upon occurrence, with adequate supporting data / information, to facilitate a prompt and appropriate disclosure to the stock exchanges.

The KMPs will then ascertain the materiality of such event(s) or information based on the above guidelines.

On completion of the assessment, the KMPs shall, if required, make appropriate disclosures to the stock exchanges.

## **H. REVIEW AND REVISION**

This Policy shall be reviewed by the Board on Annual basis or as and when any regulatory or statutory changes affecting the content of the Policy. KMPs may review the policy from time to time and may make ratification subject to approval of the Board in the next Board meeting.

## **I. DISCLOSURES**

This Policy shall be available on the website of the Bank at [www.ujjivansfb.in/corporate-governance-policies.html](http://www.ujjivansfb.in/corporate-governance-policies.html)

## **J. CONTACT DETAILS**

Any questions or clarifications about the policy or disclosures made by the Bank should be referred to the Company Secretary and Compliance Officer, who is in charge of administering, enforcing and updating the policy.

Mr. Sanjeev Barnwal  
Company Secretary and Head of Regulatory Framework  
Ujjivan Small Finance Bank Limited  
Grape Garden, No. 27, 3rd A Cross, 18th Main, Koramangala, 6th Block, Bengaluru 560095  
Email ID: [sanjeev.barnwal@ujjivan.com](mailto:sanjeev.barnwal@ujjivan.com)

**Events or information to be disclosed without any application of materiality listed in the Policy**

- (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- For the purpose of this sub-para, the word 'acquisition' shall mean,-*

- (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) 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) Fraud/defaults by key managerial personnel or by the Bank or arrest of key managerial personnel.
- (6) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer. In case of resignation of the auditor of the detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Bank to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.
- (7) 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:
- a. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed 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 Bank to the stock exchanges along with the detailed reasons as specified in sub-clause (a)

- (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: (i) Decision to initiate resolution of loans/borrowings; (ii) Signing of Inter-Creditors Agreement (ICA) by lenders; (iii) Finalization of Resolution Plan; (iv) Implementation of Resolution Plan; (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.]. One-time settlement with a Bank.
- (10) One-time settlement with a bank.
- (11) Reference to BIFR and 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 the Bank, in brief.
- (15) (a) Schedule of analysts or institutional investors meet and presentations made by the Bank 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 shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.;

- (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;
  - (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, RONW 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;
- p. 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 the Bank
- 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.

**Events or information to be disclosed based on materiality guidelines listed in the Policy**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. 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).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. 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.
6. 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.
7. Effect(s) arising out of change in the regulatory framework applicable to the Bank.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Bank.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.