

DCB BANK LTD

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

I. OBJECTIVE AND SCOPE:

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("2015 Regulations"), DCB BANK LIMITED (hereinafter referred to as "Bank") has formulated this policy ("Policy") for determination of materiality of certain events/information for appropriate disclosures as required thereunder.

The Policy shall be read together with the Bank's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and shall be subject to the Regulations and any circular, guidelines or instructions issued thereunder by SEBI.

This Policy supersedes the earlier Policy for Determination of Materiality of Events or Information.

II. DEFINITIONS:

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

III. AUTHORITY TO DETERMINE MATERIALITY ("AUTHORITY"):

Managing Director & CEO and Chief Financial Officer being Key Managerial Personnel of the Bank, from time to time, are severally authorized by this Policy to determine whether an event/information is material as per this Policy and the 2015 Regulations and whether and when to make disclosure of the same as per the 2015 Regulations.

IV. CRITERIA FOR DETERMINING MATERIALITY:

The Bank shall consider the following criteria and principles while determining materiality of events/information mentioned in the Regulation 30(4) of the 2015 Regulations as listed in Clause V below:

1. The omission of an event or information, which is likely to result in discontinuity or alteration of the event or information already publicly available;
2. 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;
3. In case where the above criteria (1) and (2) are not applicable, an event may be considered material if, the "Authority" mentioned in Clause III above, in their opinion, consider the event as material event, warranting disclosure.

V. EVENTS TO WHICH THE CRITERIA FOR MATERIALITY AS ENUMERATED IN CLAUSE IV HEREIN ABOVE SHALL BE APPLIED:

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 listed entity 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 listed entity.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
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.

VI. EVENTS WHICH ARE DEEMED MATERIAL WITHOUT APPLYING ANY MATERIALITY CRITERIA:

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;
2. Issuance or forfeiture of securities, split or consolidation of shares, buy back 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 the dividend shall be paid/ dispatched;
 - b. Any cancellation of dividend with reasons thereof;
 - c. Decision to buy-back securities of the Bank;
 - d. Decision with respect to any proposed fund raising;
 - 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/ securities held in reserve for future issue or 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 alteration of capital, including calls;
 - h. Financial results;
 - i. Decision on voluntary delisting by the Bank from the Stock Exchange(s);
5. Agreements [viz. shareholder agreement(s), joint venture agreement(s), family settlement agreements, (to the extent that it impacts the management and control of the Bank), agreement(s)/ treaty (ies)/ contract(s) with media companies] which are binding and not in the normal course of business, revision(s) or amendment(s) and termination(s) thereof;
 6. Frauds/ defaults by the promoter or Key Managerial Personnel (KMP) or by the Bank or arrest of any KMP or promoter;
 7. Change in Directors, Key Managerial Personnel, Auditor and Compliance Officer;
 - (7A) In case of resignation of the auditors of the Bank, detailed reasons for resignation of auditors, as given by the said auditors, shall be disclosed by the Bank to the Stock Exchanges as soon as possible but not later than 24 hours of receipt of such reasons from the auditor.
 - (7B) In case if resignation of an independent director of the Bank, within 7 days from the date of resignation, the following disclosure shall be made by the Bank to the Stock Exchanges
 - (i) Detailed reasons for the resignation of Independent director as given by the said director
 - (ii) The Independent Director shall, along with the detailed reasons also provide a confirmation that there is no other material reasons other than those provided.
 - (iii) 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 (i) above.
 8. Appointment or discontinuation of Share Transfer Agent;
 9. Corporate Debt Restructuring of the Bank;
 10. One-time settlement with a lender(s) by the Bank of its own borrowings, if any;
 11. Reference to BIFR and Winding up petition filed by any party/ creditors of the Bank;
 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 the annual and extra-ordinary general meetings of the Bank along with prescribed details;
 14. Amendments to memorandum and articles of association of the Bank, in brief;
 15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Bank to analysts or institutional investors;
 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 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.]

VII. GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO BE OCCURRED

- a. Certain events need approval of the Board of Directors to become credible and concrete e.g. material acquisition, material business expansion etc. They shall be said to have occurred upon approval of Board of the Bank.
- b. Events such as natural calamities or disruption can be said to have occurred when the “Authority” becomes aware of the event/information.

VIII. DISCLOSURES:

Disclosures of Material events under Clause V and all events under Clause VI, as applicable, shall be made to the Stock Exchange(s) as soon as reasonably possible and within twenty four hours from the occurrence of the event or information, or as per the applicable provisions of the applicable law or the 2015 Regulations.

The events listed under sub-clause (4) of Clause VI 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 above timeline of occurrence of the event or information, the Bank shall, along with such disclosures provide explanation for delay.

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;

IX. LAWS TO TAKE PRECEDENCE AND AMENDMENT:

As this Policy is pursuant to the applicable laws, if any change to applicable laws or interpretation thereof necessitates any change to the Policy, then this Policy shall be read so as to accommodate the changes. The Authorised KMP will review the Policy to give effect to above, as and when need arise, till such time as the Board of Directors makes the necessary changes to the Policy as mentioned below.

X. REVIEW

The Board of Directors of the Bank shall review this Policy as and when necessitated.