

DCB BANK LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

[As per Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015]

Preamble:

1. Pursuant to the Regulation 30 of the **Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015** as amended from time to time (“the regulations”), DCB Bank Limited (hereinafter referred to as "Bank") has formulated this Policy for Determination of Materiality of Events or Information (“the Policy/this Policy”) for determination of materiality of certain events/ information for appropriate disclosures as required thereunder.

This Policy supersedes the earlier Policy for Determination of Materiality of Events or Information and **is effective from August 23, 2023**, the date of approval from the Board of Directors of the Bank.

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

Authority for determining the materiality of event or information:

3. Any two of the following Key Managerial Personnel (KMP) of the Bank are jointly authorized by this Policy for determining materiality of an event or information and for the purpose of making disclosures to stock exchanges under the regulations

- (i) Managing Director & CEO,
- (ii) Chief Financial Officer and
- (iii) Company Secretary

As per the requirement of regulation 30(5) of the regulation, the contact details of above-mentioned officials shall be disclosed to the stock exchange(s) and on the Bank’s website.

Material Events:

4. Events or information mentioned in the Regulation 30(2), read with Para A of part A of Schedule III of the Regulations as listed in Annexure I of the Policy are deemed to be material events and the Bank shall make disclosure of such events.

Guidelines for Determination of Material Events:

5. The Bank shall make disclosure of events specified in Para B of Part A of Schedule III of the Regulations as listed in Annexure II of the Policy based on application of the guidelines for materiality, as specified in para 6 below.

6. The Bank shall consider the following criteria while determining materiality of events/ information:
- A. The omission of an event or information, which is likely to result in discontinuity; or alteration of the event or information already publicly available; or
 - B. The omission of an event or information which is likely to result in significant market reaction if the said omission come to light at a later date; or

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- C. The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
- (i) Two percent of turnover, as per the last audited financial statement of the Bank;
 - (ii) Two percent of net worth, as per the last audited financial statement of the Bank, except in case the arithmetic value of net-worth is negative.
 - (iii) Five percent of the average of the absolute value of profit or loss after tax, as per the last three audited financial statement of the Bank.
- D. In case where the above criteria (i) to (iii) are not applicable, an event may be considered material if, in the opinion of the Board of Directors of the Bank, the event or information is considered material.

Timeline for disclosure:

7. The Bank shall **disclose to the stock exchange(s)** all events and information which are material in terms of the Regulation and as per the Policy 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 of the Bank in which 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 (Annexure I and II) shall be made within such timelines.

Provided further that in case the disclosure is made after the timeline specified under the regulation, the Bank shall, along with such disclosure provide the explanation for the delay.

The Bank shall, with respect to disclosures referred under the regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed with relevant explanations.

Website disclosure:

8. The **Bank shall disclose on its website** all such events/ information which has been disclosed to Stock Exchange(s) under this regulation and such disclosures shall be hosted on the website of the Bank for a minimum period of 5 years, and thereafter as per the archival policy of the Bank as disclosed on its website.

Queries/Clarification to Stock Exchanges:

9. The Bank shall provide specific and adequate reply to all queries raised by Stock Exchange(s) with respect to any event or information.

10. The Bank may on its own initiative also, confirm or deny any reported event or information to Stock Exchange(s).

Provided that upon its applicability, the Bank shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of provisions of this regulation are

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circulating amongst the investing public, as soon as possible and not later than twenty-four hours from the reporting of the event or information.

Provided further that if the Bank confirms the reported event or information, it shall also provide the current stage of such event or information.

[The term "mainstream media" has been defined to include: Print or electronic mode of the following: (i) newspapers registered with the Registrar of Newspapers for India; (ii) News channels permitted by the Government of India; (iii) content published by the publisher of news and current affairs content, as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and (iv) newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India.]

Additional Mandatory Disclosure:

11. In case where an event occurs or an information is available with the Bank, which has not been indicated in Para A or B of Part A of Schedule III (**as enclosed herewith as Annexure I & II of the Policy**), **but which may have material effect on it**, the Bank shall make adequate disclosures in this regard.

12. In case an event or information is required to be disclosed by the Bank in terms of the provisions of this Policy, **pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority**, the Bank shall disclose such communication, along with the events or information, unless the disclosure of such communication is prohibited by such authority.

13. **Agreements** entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Bank or its holding 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 listed entity, 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 of such agreements.

Provided that such agreements **entered into by the Bank in the normal course of business shall not be required to be disclosed** unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Bank, or they are required to be disclosed in terms of any other provision of these regulations.

Explanation: For the purpose of this clause, the term "directly or indirectly" includes agreement creating obligation on the parties to such agreements to ensure that the Bank shall or shall not act in a particular manner.

All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Bank or its holding company, who are parties to the agreements specified above, **shall inform the Bank about the agreements to which the Bank is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements.**

14. 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

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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.

15. Without prejudice to the generality of Annexure I & II of the Policy, the Bank may make disclosures of event/information as specified by the Board from time to time.

Review of Policy:

16. The Board of Directors of the Bank shall review this Policy as and when necessitated and at least annually.

Website Up-dation:

17. The Policy shall be displayed on the website of the Bank after due approval from the Board of Directors of the Bank.

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Annexure 1

SCHEDULE III

PART A- DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES

[See Regulation 30]

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-

(i) acquiring control, whether directly or indirectly; or

(ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that –

(a) the listed entity 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-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or

(c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub regulation (4) of regulation 30.

Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

(i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or

(ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.

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.

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3. New Rating(s) or Revision in Rating(s).

4. 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):

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.

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 listed entity), 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.

(5A) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity 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 listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements: Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

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

For the purpose of this sub-paragraph:

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(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, subsidiary shall mean default which has or may have an impact on the listed entity.

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 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.

(7B) 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:

i. The letter of resignation along with detailed reasons for the resignation as given by the said director.

(ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.

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 listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) 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 listed entity 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:

(i) Decision to initiate resolution of loans/borrowings;

(ii) Signing of Inter-Creditors Agreement (ICA) by lenders;

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- (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.
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 listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
- 15 (a) 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) 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 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;

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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 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) 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.

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

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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 listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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 listed entity, 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 listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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) 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;

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v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

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

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Annexure II

SCHEDULE III

PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES

[See Regulation 30]

The following events/information shall be disclosed upon applicability of guidelines for materiality as provided in para 5 above:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the listed entity:
 - (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).
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) 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.