



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

08-02-2022



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1. INTRODUCTION

The Policy may be called the “Policy for Determination of Materiality of Information / Event(s) (hereinafter referred as “Policy”) of the Jammu and Kashmir Bank Limited (hereinafter referred as “Bank”)”.

This policy outlines the guidelines to be followed by the Bank for the consistent, transparent, regular and timely public disclosure and dissemination of material events/information. The Bank is committed to factual, timely and accurate disclosure based on applicable legal and regulatory requirements.

The Bank has formulated this policy in compliance with Listing Regulations and the policy was last reviewed/approved by the Board on April 22, 2020 for implementation in the Bank.

2. STATUTORY COMPLIANCE

This is a policy to determine the materiality of the events relating to the disclosures as are provided under Regulation 30(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the guidelines issued by the Securities Exchange Board of India (“SEBI”) from time to time in this regard.

Regulation 30(4)(ii) of SEBI (LODR), 2015 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 and this policy has been formulated to fulfil the objective of the said regulation.

3. OBJECTIVES

The objectives of this Policy are as follows:

- To enable investors to make well-informed investment decisions from timely, adequate and accurate disclosure of information on an ongoing basis.
- To bring in uniformity in disclosures made by the Bank to ensure compliance in letter and spirit in commensurate with the existing policies of the Bank.
- To facilitate timely and adequate disclosure of material information or events which are unpublished and price sensitive, and have a bearing on performance or operations of the Company.
- To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- To protect the Confidentiality of Material/Price sensitive information within the context of Bank's disclosures regulations.
- To ensure the uniformity in the Bank's approach to disclosures, raise awareness and reduce risk of selective disclosures.

4. INTERPRETATION

In this Policy, unless the context otherwise requires, the terms and expression used but not defined herein shall have the same meaning as are assigned to them under the Listing Regulations, the Companies Act, 2013, the Securities Contracts (Regulations) Act, 1956 or any other applicable laws or regulations, as the case may be.

5. DEFINITIONS

- a) "Acquisition" shall mean –
Acquiring control, whether directly or indirectly; or acquiring or agreeing to acquire shares or voting rights, in a company, whether directly or indirectly, such that -
- i. the Corporation holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or
 - ii. there has been a change in holding from the last disclosure made under sub-clause (i) of clause (b) above and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- b) "Board of Directors or Board" shall mean the Board of Directors of 'Jammu & Kashmir Bank Limited', as constituted from time to time.
- c) "Bank" means Jammu & Kashmir Bank Limited.
- d) "Compliance Officer" shall mean the Company Secretary of the Bank.
- e) "Key Managerial Personnel (KMP)" means a key managerial personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013.
- f) "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including subsequent amendment or modifications issued from time to time.
- g) "Deemed to be Material Events" are those that are specified in Para A of Part A of Schedule III of the Listing Regulations.
- h) "Other Events" are those as may be decided based upon the criteria mentioned herein below and in accordance with Para B of Part A of Schedule III, as specified in sub-regulation (4) of regulation 30 of Listing Regulations.
- i) "Policy" means this Policy for determination of materiality of events or information for making disclosure.
- j) "Schedule III" means Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any circular, notification issued by the SEBI with respect thereto.
- k) "Stock Exchanges" means the Bombay Stock Exchange and the National Stock Exchange or any other recognized stock exchanges where the securities of the Bank are listed.
- l) "SEBI" means Securities and Exchange Board of India.

Provided that where any word not defined above and used in the Policy herein below, its meaning shall be construed as mentioned in the Listing Regulations

6. DEEMED MATERIAL INFORMATION AND ITS DISCLOSURE REQUIREMENTS

Pursuant to the regulation 30 read with Para A of Part A in schedule III of Listing Regulations (including any amendment, circular, notification thereto), the Bank shall make prompt disclosure of the below mentioned information to the stock exchanges without applying any criteria of materiality:-

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 listed entity 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. 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;
5. Frauds / defaults by the promoter or Key Managerial Personnel (KMP) or by the Bank or arrest of any KMP or Promoter;
6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;
7. Appointment / discontinuation of Share Transfer Agent;
8. Corporate Debt Restructuring of the Bank;
9. One time settlement with a lender(s) by the Bank of its own borrowings, if any;
10. Winding up petition filed by any party / creditors of the Bank;
11. 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;
12. Proceedings of the annual and extra-ordinary general meetings of the Bank;
13. Amendments to memorandum and articles of association of the Bank, in brief;
14. (a) Schedule of analyst or institutional investor meet and presentations on financial results made by the Bank to analysts or institutional investors
(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.
Provided that the disclosures under 15(a) and (b) (i) and (ii) above shall be voluntary from April 1, 2021 and mandatory with effect from April 1, 2022 in line with the 2015 Regulations.
15. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code as specified under the 2015 Regulations.
16. 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.
17. Any other information as the SEBI may from time to time notify.

The above mentioned information shall be furnished to the Stock Exchanges within twenty four (24) hours from the occurrence of the event or information and in case of any delay, such disclosure shall be furnished with the explanation of delay.

Further, the events / information approved by the Board of Directors of the Bank which are price sensitive in nature, such events shall be disclosed to the stock exchanges within 30 minutes of the closure of the Board meeting held for the following matters:-

- 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 on buy-back of 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);
- j. any other information as the SEBI may from time to time notify.

For the purpose of disclosure to the stock exchanges of the above events/information, the Compliance Officer, or any other KMP as may be authorized by the Chairman of the Bank, shall disclose the information to the stock exchanges in compliance with the policy.

7. CRITERIA OF DETERMINING MATERIAL INFORMATION AND ITS DISCLOSURE REQUIREMENTS

The Bank shall apply the following criteria for determining the materiality of any events/information except as mentioned above:-

1. Whether the omission of an event/information which is likely to result in discontinuity or alteration of the event/information already available publicly;
2. Whether the omission of an event/information is likely to result in significant market reaction if the said omission came to light at a later date;
3. In case, where the criteria specified in sub-clauses (1) and (2) 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.

Following are the examples of events/information of which the above criteria will be applied while determining the materiality:-

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, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division.
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.
13. 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

14. Any other information/events as the Bank may deem fit for its disclosure after applying the criteria of materiality.

The above mentioned information shall be furnished to the Stock Exchanges within twenty four (24) hours from the occurrence of the event or information and in case of any delay, such disclosure shall be furnished with the explanation of delay.

For the purpose of determining the materiality of any event/ information based upon the foregoing criteria, the Compliance Officer, or any other KMP as the Chairman deems fit, in consultation with the Chairman of the Bank shall determine the materiality of any event/ information.

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 Chairman 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. RECOMMENDATIONS BY AUDIT COMMITTEE

In order to determine materiality of information or events, as the case may be, 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.

10. APPLICABILITY OF LAWS & AMENDMENTS

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. As this policy is pursuant to the applicable laws, in case of amendment to the applicable regulatory provisions, the amended regulatory requirements shall supersede the policy, until such time as the policy is suitably amended. The authorized 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 as and when necessitated or as deemed fit, provided they are not inconsistent with the provisions of the applicable laws.

11. DISCLOSURE / DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Bank and at such other place(s), as stipulated in SEBI guidelines / other applicable guidelines.

12. OWNERSHIP & REVIEW OF THE POLICY

The policy shall be subject to annual review and the review of the policy will be put up to the Audit Committee of the Board (ACB) for their recommendation to the Board for approval. The Board Secretariat shall be responsible for placing the review of the Policy before the ACB & the Board. Approved revised Policy & Guidelines will remain in force till next review. In case of exigencies and to be in line with regulatory / statutory guidelines the Managing Director is empowered to approve changes / modifications / amendments / relaxations / exemptions, if any, required to be made in the policy and same will be placed before the Board for ratification.

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.

Annexures Nil



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