

INDUSIND BANK LIMITED

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

I. Regulatory Landscape

Securities and Exchange Board of India notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on 2nd September, 2015, which, read with Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, became effective from December 1, 2015.

Regulation 30 of the Regulations mandates that Policy for determination of materiality of events or information be framed.

Regulation 30 deals with disclosure of material events by the listed entity, and divides the events that need to be disclosed broadly in two categories.

- Events that have to be necessarily disclosed without applying the test of materiality are indicated in Para 'A' of Part 'A' of Schedule III of the Listing Regulations (As set out in **Annexure I**); and
- Para 'B' indicates events that should be disclosed by the entity, if considered material (As set out in **Annexure II**).

In addition to the aforesaid requirement, the Bank recognises the need for timely, adequate and accurate disclosure of information so as to enable the investors and other stakeholders to take an informed decision about their investment.

II. Objective

The purpose of this Policy is to determine materiality of events and information, based on specified criteria, so that the Bank makes timely disclosure of events / information specified in Para 'A' and 'B' of Part 'A' of Schedule III of Listing Regulations to the Stock Exchanges as well as disseminates the information on its website.

The Policy thus aims at providing equal access to investors to important information or disclosures which may affect their investment decisions, and in formulating the principles of materiality based on which the Bank shall make disclosures of events or information.

III. Scope

In terms of Regulation 30, the Bank is required to make disclosure of any event or information which, in the opinion of the Board, is material.

Events specified under Para 'A' of Part 'A' of Schedule III of the Regulations shall mandatorily be disclosed without applying the test of materiality. (As set out in Annexure I)

The Bank shall make disclosure of events specified in Para 'B' of Part 'A' of Schedule III based on application of the guidelines for materiality, as specified below:

- (i) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

- (ii) The omission of an event or information is likely to result in significant market reaction if the said omission comes to light at a later date;

IV. Disclosure of events / information:

- Any event required to be reported under Regulation 30 would be decided by the Managing Director & CEO of the Bank.

Any other event, even if not covered under Regulation 30 but which is potentially of price-sensitive nature, must also be informed, for further evaluation by the Managing Director & CEO.

The process of disclosure shall be as set out in the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information”.

- The Managing Director & CEO, and in his absence, the Chief Financial Officer and the Company Secretary jointly, shall be responsible and authorised for ascertaining the materiality of events and information, making disclosure of events specified under Annexure II to this Policy, considering their nature based on the parameters set out under Regulation 30.
- The Managing Director, the Chief Financial Officer, the Company Secretary and the Head - Investor Relations & Strategy shall severally be responsible and authorised for dissemination of such events or information in accordance with Regulation 30 and the “Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information” to the Stock Exchanges and dissemination on the Bank’s website.
- The Bank shall first disclose to the Stock Exchanges all events, as specified in Part A of Schedule III, as soon as reasonably possible (not later than twenty-four hours from the occurrence of the event).

The disclosure with respect to events specified in Sub-para 4 of Para ‘A’ of Schedule III shall, however, be made within thirty minutes of the conclusion of the Board Meeting.

- Disclosures made under Regulation 30 shall be hosted on the website of the Bank at www.indusind.com and communicated to the Stock Exchanges in the permitted mode.

V. Review and Modifications to the Policy

The Bank is committed to continually reviewing and updating policies and procedures, and this Policy is subject to modifications owing to regulatory changes, etc.

Any amendments to this Policy must be approved as may be authorised by the Board of Directors, and the revised Policy shall be promptly hosted on the Bank’s website.

The amended regulatory requirements shall supersede the Policy, until such time as the Policy is suitably amended.

VI. Monitoring and Reporting

The Managing Director & CEO, the Chief Financial Officer, and the Company Secretary being the 'Key Managerial Personnel' (KMP) are jointly responsible to the Board for monitoring and reporting the implementation of this Policy.

PARA 'A' OF PART 'A' OF SCHEDULE III OF THE REGULATIONS

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/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity 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 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-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. 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) re-issue 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).

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.

6. Fraud / defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.

8. Appointment or discontinuation of share transfer agent.

9. Corporate debt restructuring.

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 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. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

PARA 'B' OF PART 'A' OF SCHEDULE III OF THE REGULATIONS

Events which shall be disclosed upon application of the guidelines for materiality (Reference Sub-regulation (4) of Regulation (30)):

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 Agreements (as a borrower) or any other agreements which are binding and not in normal course of business} and revisions or amendments or terminations 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.