



SBI CARDS AND PAYMENT SERVICES LTD

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION AND DISCLOSURE THEREOF TO THE STOCK EXCHANGES

October 27, 2023

1. BACKGROUND

SBI Cards and Payment Services Limited is required to frame a policy for determination of materiality of events/information for disclosure requirements pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, this policy for determination of materiality of events/information and disclosure thereof to the stock exchanges ("**Policy**") has been formulated by the board of directors of SBI Cards and Payment Services Limited.

2. SCOPE

This Policy outlines the basis for determining 'Materiality of an Event and/or Information', for making disclosures to the stock exchanges under Regulation 30 and 51 of the Listing Regulations.

3. DEFINITION

"Company" means SBI Cards and Payment Services Limited.

"Key Managerial Personnel" for the purpose of Listing Regulations means the Managing Director & CEO, Chief Financial Officer and Company Secretary of the Company.

"Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including subsequent modifications issued to the same from time to time.

"Stock Exchange" means the BSE Limited and the National Stock exchange of India Limited or any other recognized stock exchanges where the securities of the Company are listed.

"Senior Management" shall mean the officers and personnel of the Company who are members of its core management team excluding the Board of Directors and shall comprise all the members of management one level below the chief executive officer or managing director or whole time director or manager (including chief executive officer and manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads by whatever name called and the Company Secretary and Chief Financial Officer

"Mainstream Media" shall include print or electronic mode of the following:

- i. Newspapers registered with the Registrar of Newspapers for India;
- ii. News channels permitted by Ministry of Information and Broadcasting under 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;

Further, the terms and expression used but not defined herein shall have the same meaning as assigned to those terms under the Listing Regulations, the Companies Act, 2013 or any other applicable laws or regulations, as the case may be.

4. DETERMINATION OF MATERIALITY OF EVENT AND/OR INFORMATION

- 4.1 In terms of Regulation 30 of Listing Regulations, the events specified in Paragraph 6 (A) of this Policy, are deemed to be material events and the Company is mandatorily required to disclose such events without application of any guideline on materiality.
- 4.2 The events specified under Paragraph 6 (B) of this Policy, shall be disclosed based on application of the guidelines for materiality as detailed below:
- (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) if 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; or
 - (c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - (1) 2% of turnover, as per the last audited consolidated financial statements of the Company;
 - (2) 2% of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
 - (3) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;
 - (d) in case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company such event/information is considered material (collectively, the **“Guidelines for Materiality”**)
- 4.3 Further, in case where an event occurs or an information is available with the Company, which has not been indicated in either Paragraph 6(A) or Paragraph 6(B) of this Policy, but which may have a material effect on the Company, the Company is required to make adequate disclosures in regard thereof.
- 4.4 The Company shall, with respect to disclosures referred to in Regulation 30 of the Listing Regulations, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- 4.5 The Company shall also provide specific and adequate reply to all queries raised/clarifications sought by stock exchange(s) with respect to any events or information disclosed under this policy.
- 4.6 The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

Provided that since the Company is amongst the top 100 listed entities shall with effect from the date to be specified by SEBI, 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 the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than 24 hours from the reporting of the event or information:

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

- 4.7 The information/event would be disclosed upon meeting the materiality threshold and no sooner than credible and concrete information comes into being or is said to have occurred. The following shall also be considered to determine when the event/information said to have occurred:
- a. In the events/transactions which requires negotiations, due- diligence or approval, upon receipt of Board/Shareholders/ other necessary approval as the case may be.
 - b. In other cases, wherein no approval is required (acts of god, disruption, lockouts, strike etc), when the company or its officer has become aware of the same in course of performance his/her duty.
- 4.8 In case an event or information is required to be disclosed by the Company in terms of the provisions of the Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

5. AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENT AND/OR INFORMATION

The Chief Financial Officer or failing him any Key Managerial Personnel (KMP) authorised by the Managing Director & CEO (hereinafter referred to as “**Authorised KMP**”) will be authorised to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchanges.

The contact details of the Authorised KMP shall be disclosed to the Stock Exchange(s) and displayed on the website of the Company.

The Senior Management Team/Functional Heads are under an obligation to inform occurrence of an event under the purview of this policy to the Authorised KMP, promptly alongwith the relevant information.

6. DISCLOSURES TO STOCK EXCHANGES

The following shall be events/ information, upon occurrence of which the Company shall make disclosure to stock exchanges within the period as stated in para 7 and as per the applicable guidelines for materiality:

A. The following shall be events/information, upon occurrence of which the Company shall make disclosure to stock exchange(s) without any application of the Guidelines for Materiality:

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

Explanation (1) - Acquisition would mean, a) where the Company acquires control, whether directly or indirectly; or b) where the Company acquires or agrees to acquire five percent or more of the shares/voting rights of any company directly or indirectly; or c) where the Company holds five percent or more of the shares/ voting rights of any company, any further change in such shareholding or voting rights from the last disclosure made under sub-clause (b) above which exceeds two percent of the total shareholding or voting rights in such company. (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in paragraph 4.2(c) of this policy.

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 Company; 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 paragraph 4.2(c) of this policy.

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.”

- ii. 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.
- iii. New Rating(s) or Revision in Rating(s).
- iv. Outcome of meetings of the board of directors: The Company shall intimate to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider or decide 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 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 Company 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.

The intimation of outcome of meeting of the board of directors will contain the time of commencement and conclusion of the meeting.

- v. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlements agreement(s) (to the extent that it impacts management and control of the Company), 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.
- va. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company 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 Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that such agreements entered into by the Company 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 Company 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 Company shall or shall not act in a particular manner.”

- vi. Fraud or defaults by the Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

- (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 30 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.

- vii. Change in directors, key managerial personnel, Senior Management, Auditor and Compliance Officer.
- vii(a). In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than 24 hours of receipt of such reasons from the auditor.
- vii(b). In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:
 - 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 Company to the stock exchanges along with the disclosures as specified in sub- clause (i) and (ii) above.
- vii(c). 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 Company within 7 days from the date that such resignation comes into effect.
- vii(d). In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than 45 days in any rolling period of 90 days, the same along with the reasons for such indisposition or unavailability,

shall be disclosed to the stock exchange(s).”

- viii. Appointment or discontinuation of share transfer agent.
- ix. 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.
- x. 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 Company.
- xi. Proceedings of annual and extraordinary general meetings of the Company along with the prescribed details.
- xii. Amendments to memorandum and articles of association of Company, in brief.
- xiii. (a) Schedule of analysts or institutional investors meet at least 2 working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the Company 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 24 hours from the conclusion of such calls, whichever is earlier;
 - (ii) the transcripts of such calls shall be made available on the website within 5 working days of the conclusion of such calls.
- xiv. One time settlement with a bank.
 - xv. winding-up petition filed by any party / creditors.
 - xvi. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code, as required under the Listing regulations.
 - xvii. 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 Company:

- 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 Company along with comments of the management, if any.
- xviii. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the Company, in relation to any event or information which is material for the Company in terms of regulation 30 of the Listing regulations and is not already made available in the public domain by the Company.

Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

- xix. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, 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 Company, quantifiable in monetary terms to the extent possible.
- xx. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, 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;
 - v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.
- xxi. 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.”

B. The following shall be events/information of which the Company shall make disclosure to stock exchange(s) upon application of the Guidelines for Materiality:

1. Commencement or any postponement in the date of commencement of commercial operations of any unit/division.
2. Any of the following events pertaining to the Company:
 - (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. Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business.
4. Capacity addition or Product launch
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 Company 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 Company.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.
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.
- C.** 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 Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.
- D.** Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by the Board from time to time.
- E.** Disclosure of Information – in case of Non-Convertible Securities

The Company shall inform the stock exchange(s) of all information having bearing on the performance/operation of the Company, price sensitive information or any action that shall affect payment of interest or dividend or redemption of non-convertible securities, including the following information, as soon as reasonably possible but not later than 24 hours from the date of occurrence of the event or receipt of information. In case the disclosure is made after 24 hours of the date of occurrence of the event or receipt of information, Company shall, along with such disclosures provide an explanation for the delay:

1. Information mentioned in Clause iii, iv, vi, vii, vii(a), ix, xi, xiv and xvi of Para 6A and 1,2,6 and 9 of Para 6B.
2. expected default in the timely payment of interest, dividend or redemption payment or both in respect of the non-convertible securities and also default in the creation of security for non-convertible debt securities as soon as the same becomes apparent;
3. any attachment or prohibitory orders restraining the Company from transferring non-convertible securities from the account of the registered holders along-with the particulars of the numbers of securities so affected, the names of the registered holders and their demat account details;
4. any action which shall result in the redemption, reduction, cancellation, retirement in whole or in part of any non-convertible securities;
5. any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets;
6. any change in the form or nature of any of its non-convertible securities that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;

7. any events such as strikes and lock outs, which have a bearing on the interest payment/ dividend payment / principal repayment capacity;
8. details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, Company and /or the assets along with its comments thereon, if any;
9. delay/ default in payment of interest or dividend/principal amount /redemption for a period of more than three months from the due date;
10. failure to create charge on the assets within the stipulated time period;
11. any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the Company with any investor(s)/lender(s).
12. any major change in composition of the board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
13. the following approvals by board of directors in their meeting:-
 - (a) the decision to pass any interest payment;
 - (b) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debt security holders, or in any other way;
14. Winding-up petition filed by any party / creditors.
15. all information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible debt securities;
16. intimation related to any change in terms of issue or redemption or exercising of call/ put options;
17. intimation related to any change in covenants or breach of covenants under the terms of non-convertible debentures and/or non-convertible redeemable preference shares;
18. intimation related to forfeiture of unclaimed interest or dividend or principal amount;
19. intimation related to any change in the debenture trustee or Credit Rating Agency or Registrar and Share Transfer Agent;
20. intimation of comfort/guarantee or any credit enhancement provided by the Company to a third party;
21. any other information/change that:
 - (a) shall affect the rights and obligations of the holders of the non-convertible securities; and
 - (b) is not in the public domain but necessary to enable the holders of the non- convertible securities to comprehend the true position and to avoid

the creation of a false market in such Company.

7. PROCESS OF DISCLOSURE

The Company shall disclose to the stock exchange(s) all events or information mentioned under Paragraph 6 (A) of this Policy and the events or information mentioned under Paragraph 6 (B) which are material as per this policy, as soon as reasonably possible and in any case not later than the following:

- (i) 30 Minutes from the closure of the meeting of the Board of Directors in which the decision pertaining to the event or information has been taken;
- (ii) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- (iii) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company:

While disclosure of the said events, reference shall also be taken from extant SEBI Circular on Disclosure of material events/information by listed entities under Regulations 30 and 30A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for specific details which are to be reported in case of any event, timelines within which it has to be reported and other requirements in terms of the above said circular.

Provided that disclosure with respect to events for which timelines have been specified in the respective Paragraph 6(A) and 6(B) shall be made within such timelines.

Further, in case the disclosure is made after the prescribed timeline the Company shall, along with such disclosures provide explanation for delay.

Further, subject to applicable laws and regulations, it shall however be ensured that the Board of Directors and Senior Management shall conduct themselves so as to meet the expectation of operational transparency to stakeholders while at the same time maintain confidentiality of information in order to foster a culture of good decision-making.

8. DISCLOSURE ON WEBSITE

The Company shall disclose on its website all such events or information which has been disseminated to the stock exchanges under this Policy and such disclosures shall be hosted on the website of the Company and will be retained for a period of five years and thereafter as per the archival policy.

9. POLICY REVIEW

The Policy shall be reviewed annually or at earlier intervals, if necessary, and shall be put up before the Board for approval with recommendation of the Risk Management Committee. Consequent upon any changes in the Listing Regulations and other applicable regulatory guidelines, if any, such change to the extent applicable to the Company, shall be deemed to be a part of this Policy and same shall be placed before the Risk Management Committee/Board for ratification/approval.

Change Tracker - POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION AND DISCLOSURE THEREOF TO THE STOCK EXCHANGES

Policy Name: POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION AND DISCLOSURE THEREOF TO THE STOCK EXCHANGES

Last Approved on October 27, 2023

Policy Change Log

Page No. Para Reference	Section Heading	Existing Provision	Revised Provision	Rationale for change
Page 2 Para# 3	DEFINITION	<p>“Senior Management” shall mean officers/-personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/-managing director/-whole time director/-manager (including chief executive officer/-manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer and functional heads.</p>	<p>“Senior Management” shall mean the officers and personnel of the Company who are members of its core management team excluding the Board of Directors and shall comprise all the members of management one level below the chief executive officer or managing director or whole time director or manager (including chief executive officer and manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads by whatever name called and the Company Secretary and Chief Financial Officer</p>	<p>Definition of Senior Management amended pursuant to amendment in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</p>
Page 2 Para# 3	DEFINITION	--	<p>“Mainstream Media” shall include print or electronic mode of the following:</p> <ul style="list-style-type: none"> i. Newspapers registered with the Registrar of Newspapers for India; ii. News channels permitted by Ministry of Information and Broadcasting under 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; 	<p>Definition added pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.</p>

<p>Page 3 Para# 4</p>	<p>DETERMINATION OF MATERIALITY OF EVENT AND/OR INFORMATION</p>	<p>4.2 The events specified under Paragraph 6 (B) of this Policy, shall be disclosed based on application of the guidelines for materiality as detailed below:</p> <p>(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</p> <p>(b) if 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; or</p> <p>(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 of directors of the Company such event/information is considered material (collectively, the “Guidelines for Materiality”)</p>	<p>4.2 The events specified under Paragraph 6 (B) of this Policy, shall be disclosed based on application of the guidelines for materiality as detailed below:</p> <p>(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</p> <p>(b) if 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; or</p> <p>(c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:</p> <ol style="list-style-type: none"> (1) 2% of turnover, as per the last audited consolidated financial statements of the Company; (2) 2% of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative; (3) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company; <p>(d) in case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/ information may be treated as being material if in the opinion of the Board of Directors of the Company such event/information is considered material (collectively, the “Guidelines for Materiality”)</p>	<p>Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023. to bring clarity with regard to the disclosure requirement.</p>
		<p>4.6 The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).</p>	<p>4.6 The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).</p> <p>Provided that since the Company is amongst the top 100 listed entities shall with effect from the date to be specified by SEBI October 1, 2023, confirm, deny or clarify any reported event or information in the</p>	<p>Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.</p>

			<p>mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than 24 hours from the reporting of the event or information:</p> <p>Provided further that if the listed entity confirms the reported event or information, it shall also provide the current stage of such event or information.</p>	<p>The timeline of October 1, 2023, in the revised policy was approved by the RMCB at its meeting held on September 26, 2023. However, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2023 dated October 09, 2023, the timelines have been changed. Accordingly, we are proposing the change.</p>
Page 4 Para# 4	DETERMINATION OF MATERIALITY OF EVENT AND/OR INFORMATION	-	4.8 In case an event or information is required to be disclosed by the Company in terms of the provisions of the Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.	Change done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023. to bring clarity with regard to the disclosure requirement.
Page 4 Para # 5	AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENT AND/OR INFORMATION	<p>The Chief Financial Officer or failing him any Key Managerial Personnel (KMP) authorised by the Managing Director & CEO (hereinafter referred to as "Authorised KMP") will be authorised to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchanges.</p> <p>The contact details of the Authorised KMP shall be disclosed to the Stock Exchange(s) and displayed on the website of the Company.</p>	<p>The Chief Financial Officer or failing him any Key Managerial Personnel (KMP) authorised by the Managing Director & CEO (hereinafter referred to as "Authorised KMP") will be authorised to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchanges.</p> <p>The contact details of the Authorised KMP shall be disclosed to the Stock Exchange(s) and displayed on the website of the Company.</p> <p>The Senior Management Team/Functional Heads are under an obligation to inform occurrence of an event under the purview of this policy</p>	Change done to bring clarity with regard to the disclosure requirement.

			to the Authorised KMP, promptly alongwith the relevant information.	
Page 5 Para#6A	DISCLOSURES TO STOCK EXCHANGES	<p>i. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any units, division(s) or subsidiary of the Company or any other restructuring. Acquisition would mean, a) where the Company acquires control, whether directly or indirectly; or b) where the Company acquires or agrees to acquire five percent or more of the shares/voting rights of any company directly or indirectly; or c) where the Company holds five percent or more of the shares/ voting rights of any company, any further change in such shareholding or voting rights from the last disclosure made under sub-clause (b) above which exceeds two percent of the total shareholding or voting rights in such company.</p>	<p>i. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) whole or substantially the whole of the undertaking(s) or subsidiary of the Company sale of stake in associate company of the listed entity or any other restructuring.</p> <p>Explanation (1) - Acquisition would mean, a) where the Company acquires control, whether directly or indirectly; or b) where the Company acquires or agrees to acquire five percent or more of the shares/voting rights of any company directly or indirectly; or c) where the Company holds five percent or more of the shares/ voting rights of any company, any further change in such shareholding or voting rights from the last disclosure made under sub-clause (b) above which exceeds two percent of the total shareholding or voting rights in such company. (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.</p> <p>Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-</p> <p>(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</p> <p>(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 subclause (c) of clause (i) of sub-regulation (4) of regulation 30.</p>	Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

			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.”	
Page 5 Para#6A	DISCLOSURES TO STOCK EXCHANGES	iii. Revision in Rating(s).	iii. New Rating(s) or Revision in Rating(s).	Change done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
Page 6 Para#6A	DISCLOSURES TO STOCK EXCHANGES	-	<p>va. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company 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 Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:</p> <p>Provided that such agreements entered into by the Company 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 Company or they are required to be disclosed in terms of any other provisions of these regulations.</p> <p>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 Company shall or shall not act in a particular manner.”</p>	Clause added pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

Page 7 Para#6A	DISCLOSURES TO STOCK EXCHANGES	vi. Fraud/ Defaults by promoter or key managerial personnel of the Company or by the Company or arrest of key managerial personnel or promoter.	vi. Fraud or defaults by the Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad: For the purpose of this sub-paragraph: (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 30 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.	Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
Page 7 Para#6A	DISCLOSURES TO STOCK EXCHANGES	vii. Change in directors, key managerial personnel, Auditor and Compliance Officer.	vii. Change in directors, key managerial personnel, Senior Management, Auditor and Compliance Officer.	Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
Page 7 Para#6A	DISCLOSURES TO STOCK EXCHANGES	-	vii(c). 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 Company within 7 days from the date that such resignation comes into effect.	Clause added pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

Page 8 Para#6A	DISCLOSURES TO STOCK EXCHANGES	--	vii(d). In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than 45 days in any rolling period of 90 days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s)."	Clause added pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
Page 8 Para#6A	DISCLOSURES TO STOCK EXCHANGES	xiii. (a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.	xiii. (a) Schedule of analysts or institutional investors meet at least 2 working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the Company 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.	Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 and for better clarity.
		xv. Reference to BIFR and winding-up petition filed by any party / creditors.	xv. winding-up petition filed by any party / creditors.	Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
Page 9 Para#6A	DISCLOSURES TO STOCK EXCHANGES	-	xviii. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the Company, in relation to any event or information which is material for the Company in terms of regulation 30 of the Listing regulations and is not already made available in the public domain by the Company. Explanation - "social media intermediaries" shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. xix. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body	Clauses added pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

			<p>against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:</p> <ul style="list-style-type: none"> 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; <p>along with the following details pertaining to the action(s) initiated, taken or orders passed:</p> <ul style="list-style-type: none"> 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 Company, quantifiable in monetary terms to the extent possible. <p>xx. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:</p> <ul style="list-style-type: none"> (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 	
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			<p>along with the following details pertaining to the actions(s) initiated, taken or orders passed:</p> <ul style="list-style-type: none"> 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 Company, quantifiable in monetary terms to the extent possible. xxi. 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.” 	
Page 10 Para#6B	DISCLOSURES TO STOCK EXCHANGES	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 line(s) of business or closure of operations of any unit/division (entirety or piecemeal).	2. Any of the following events pertaining to the Company: (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).	Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
		5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) or termination(s) thereof.	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.	Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
		8. Litigation(s)/ dispute(s)/ regulatory action(s) with impact on the going concern of the Company.	8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.	Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
		9. Frauds/defaults etc. by directors (other than key managerial personnel) or employees of the Company	9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.	Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

Page 11 Para#6B	DISCLOSURES TO STOCK EXCHANGES	11. Giving of guarantees or indemnity or becoming a surety for any third party.	11. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.	Changes done pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
Page 11 Para#6B	DISCLOSURES TO STOCK EXCHANGES	-	13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.	Clause added pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
Page 13 Para # 7	PROCESS OF DISCLOSURE	<p>The Company shall make disclosure and intimation of the material events/ information, contained in Point (iv) under Paragraph 6 (A) of this Policy to the stock exchanges, within 30 minutes of closure of the Board meeting. The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.</p> <p>The Company shall make disclosure of all material events/ information to stock exchange(s), as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information. Further, in case the disclosure is made after twenty- four (24) hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.</p> <p>Further, subject to applicable laws and regulations, it shall however be ensured that the Board of Directors and Senior Management shall conduct themselves so as to meet the expectation of operational transparency to stakeholders while at the same time maintain confidentiality of information in order to foster a culture of good decision-making.</p>	<p>The Company shall disclose to the stock exchange(s) all events or information mentioned under Paragraph 6 (A) of this Policy and the events or information mentioned under Paragraph 6 (B) which are material as per this policy, as soon as reasonably possible and in any case not later than the following:</p> <p>(i) 30 Minutes from the closure of the meeting of the Board of Directors in which the decision pertaining to the event or information has been taken;</p> <p>(ii) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;</p> <p>(iii) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company:</p> <p>While disclosure of the said events, reference shall also be taken from extant SEBI Circular on Disclosure of material events/information by listed entities under Regulations 30 and 30A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for specific details which are to be reported in case of any event, timelines within which it has to be reported and other requirements in terms of the above said circular.</p>	Changes done and new clauses added pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

			<p>Provided that disclosure with respect to events for which timelines have been specified in the respective Paragraph 6(A) and 6(B) shall be made within such timelines.</p> <p>Further, in case the disclosure is made after the prescribed timeline the Company shall, along with such disclosures provide explanation for delay.</p> <p>Further, subject to applicable laws and regulations, it shall however be ensured that the Board of Directors and Senior Management shall conduct themselves so as to meet the expectation of operational transparency to stakeholders while at the same time maintain confidentiality of information in order to foster a culture of good decision-making.</p>	
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