



POLICY ON DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

VERSION CONTROL

Version Control Number	Author	Date Created / updated	Date Effective	Version Description
V1	Jitendra Bhati VP – Compliance & Secretarial	05 February 2018	Upon listing of Equity Shares	--
V2	Jitendra Bhati SVP – Compliance & Secretarial	02 February 2019	01 April 2019	To align the Policy with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 9 May 2018
V3	Jitendra Bhati SVP – Compliance & Secretarial	08 August 2019	30 September 2019	Consequent to resignation of Mr. Pankaj Thapar as Chief Financial Officer of the Company effective 30 September 2019, replacing the name of Mr. Amol Joshi in place of Mr. Pankaj Thapar to determine Materiality of

				Events and Information to the Stock Exchanges pursuant to Regulation 30 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
V3	Jitendra Bhati SVP – Compliance & Secretarial	4 February 2021	4 February 2021	To align policy with amendments in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
V4	Jitendra Bhati SVP – Compliance & Secretarial	12 August 2021	12 August 2021	To align the Policy with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 dated 5 May 2021
V5	Jitendra Bhati SVP – Compliance & Secretarial	27 May 2022	27 May 2022	Consequent to (i) resignation of Mr. Amol Joshi as Chief Financial Officer; (ii) appointment of Mr. Deep Jaggi as Chief Executive Officer of the Company designated as Whole-Time Key Managerial Personnel with effect from 7 January 2022; (iii) cessation of office of Mr. R. Sridhar as Whole-Time Director designated as Vice-Chairman of the Company with effect from close of business hours on 17 April 2022; and (iv) appointment of Mr. Kapish Jain as Group Chief Financial Officer of the Company, replacing the name(s) of Chief Executive Officer and Chief Financial Officer to determine Materiality of Events and Information to the Stock Exchanges pursuant to Regulation 30 (5) of the Securities and Exchange Board

				of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
V6	Jitendra Bhati SVP – Compliance & Secretarial	30 March 2023	30 March 2023	(i) Consequent to appointment Mr. Vinod Kumar Panicker as Chief Financial Officer w.e.f 26 December 2022, replacing name of Mr. Vinod Kumar Panicker in the name of Mr. Kapish Jain as to determine Materiality of Events and Information to the Stock Exchanges pursuant to Regulation 30 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (ii) Updating the contact details Designated Officers consequent to shift of registered office of the Company w.e.f. 21 December 2022
V7	Ms. Shikha Jain Company Secretary & Compliance Officer	25_May 2023	25 May 2023	Consequent to resignation of Mr. Jitendra Bhati and appointment Ms. Shikha Jain as Company Secretary & Compliance Officer w.e.f 18 April 2023, replacing name of Ms. Shikha Jain in the name of Mr. Jitendra Bhati as to determine Materiality of Events and Information to the Stock Exchanges pursuant to Regulation 30 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
V7	Ms. Shikha Jain Company Secretary & Compliance Officer	27 October 2023	27 October 2023	Changes in criteria for determination of materiality and change in intimation of the same to the Board and Stock Exchanges.

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

INTRODUCTION AND OBJECTIVE

In terms of Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), every company which has listed its specified securities is required to frame a policy for determination of materiality of events and information for the purpose of disclosure to the stock exchanges.

The Board of Directors of the Company have adopted this “Policy for Determination of Materiality of Events and Information” (Policy), in order to define guidelines for determining materiality of events / information of the Company for the purpose of disclosure to the stock exchanges in terms of the Listing Regulations.

The Policy shall be published on the website of the Company.

INTERPRETATION

In this Policy, unless the context otherwise requires:

- (a) “Act” means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- (b) “Board of Directors” or “Board” means the Board of Directors of the Company.
- (c) “Company” means IndoStar Capital Finance Limited.
- (d) “Key Managerial Personnel” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- (e) “LODR Regulations” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (f) “Net Worth” shall have the meaning assigned to it in Section 2(57) of the Act;
- (g) “Policy” means this policy, as amended from time to time.
- (h) “SEBI” means the Securities and Exchange Board of India.
- (i) “Rules” means the rules made under the Act.
- (j) “Stock Exchange(s)” means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.
- (k) “SEBI Circular” shall mean SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023.
- (l) “Turnover” shall have the meaning assigned to it in Section 2(91) of the Act;

All other words and expressions used but not defined in this Policy, shall have the same meaning as assigned to it under the LODR Regulations, the Act, the SEBI Act, 1992 (“SEBI Act”) and the Securities Contracts (Regulation) Act, 1956 (“SCRA”).

EVENTS OR INFORMATION TO BE DISCLOSED

1. Events or information specified in Para A of Part A of Schedule III of the Listing Regulations are required to be disclosed irrespective of application of any quantitative or qualitative materiality

thresholds as these are “deemed” to be material. The applicable events (also referred to as “deemed disclosures”) are given in **Annexure-I**.

2. The events or information specified in Para B of Part A of Schedule III of the LODR Regulations, which will be disclosed based on application of materiality criteria, are given in **Annexure-II**. Materiality must be determined on a case to case basis depending on the material facts and the circumstances pertaining to the information or event and would be determined based on the judgement to be exercised by the Designated Officers based on criteria mentioned below:

Quantitative Criteria for determining materiality of event or information:

The omission of an event/ information whose value or the expected impact in terms of value, exceeds the lower of the following:

- (a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or
- (b) 2% (two per cent) of consolidated 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); or
- (c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the ‘sign’ (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for ‘materiality’ of the event and not for any commercial consideration.

Qualitative Criteria for determining materiality of event or information:

- (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) 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;
3. In case where the criteria specified in under Quantitative and Qualitative criteria is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company, the event or information is considered material.

4. In addition to the above, Paras C and D of Part A of Schedule III of the LODR Regulations mandate disclosure of the following:
 - (a) major developments that are 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.;
 - (b) any other information which is exclusively known to the 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; and
 - (c) any other disclosures as may be specified by SEBI from time to time.
5. The Company shall disclose all events or information with respect to subsidiaries which are material for the Company;
6. In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of the LODR Regulations, but which may have material effect on it, the listed entity is required to make adequate disclosures in regard thereof;
7. In case an event or information is required to be disclosed by the listed entity in terms of the provisions of this regulation, 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.

DISCLOSURE PROCESS

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of LODR Regulation 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 in which the 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 Company;
- (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the LODR Regulations shall be made within such timelines.

In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.

The Company shall disclose material developments with respect to disclosures made in terms of Regulation 30 of the LODR Regulations and this Policy till such time the event is resolved / closed with relevant explanations.

The Company shall provide specific and adequate reply to all queries raised by the stock exchanges with respect to any disclosed event / information. The Company may on its own initiative also, confirm or deny any reported event / information to stock exchanges.

Events / information disclosed in terms of this Policy shall be hosted on the website of the Company for the minimum period of five years and thereafter as per the Archival Policy of the Company.

AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE

Following KMPs and officers of the Company ("**Designated Officers**") are hereby severally authorized for the purpose of determining materiality of an event or information, evaluating whether an event/ information requires Stock Exchange disclosures, and for the purpose of making disclosures to the Stock Exchanges within the applicable timelines ("Authorized Person(s)"):

1. Managing Director/Whole-time Director;
2. Chief Financial Officer;
3. Company Secretary and Compliance Officer

The materiality of events/ information outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person(s) should exercise his/her own independent judgement while assessing the materiality of events associated with the Company. The Designated Officers may also, as a collective, consult the Chairman or any other Director of the Company while assessing the materiality of an event or information, and for evaluating whether the event/ information requires a Stock Exchange Disclosure.

Details of the above referred Designated Officers shall be also disclosed to the Stock Exchange(s) and as well as on the Company's website.

AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force, and this Policy does not, and shall not, in any manner dilute any of the requirements set out under Regulation 30 read with Schedule III of the LODR Regulations.

REVIEW OF POLICY

The Designated Officers may review the Policy from time to time. Any amendments to the LODR Regulations in context of this policy shall mutatis mutandis be deemed to have been incorporated in this Policy without approval of the Board.

For any other changes, Board approval will be sought. Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

Annexure -I

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

Sr. No	Events
1	Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), 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 the associate company of the Company or any other restructuring.
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	New Ratings(s) or Revision in Rating(s).
4	Outcome of Meetings of the board of directors.
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 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
5A	<p>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 a 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>
6	Fraud or defaults by a Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director whether occurred within India or abroad.

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 Company, detailed reasons for resignation of auditor, as given by the said auditor.
7B	Resignation of independent director including reasons for resignation.
7C	Letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director.
7D	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 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.
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 Company.
13	Proceedings of annual and extraordinary general meetings of the Company.
14	Amendments to memorandum and articles of association of Company, in brief.
15	(a) Schedule of analysts or institutional investors meet and presentations made by the Company 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.
16	Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.
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 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.
18	Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company.
19	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;
20	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 any other similar action(s) by whatever name called;
21	Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013.

* Note: In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within thirty minutes from the closure of such meeting as against the timeline indicated in the table above.

Annexure -II

Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30) specified in Para B of Schedule III of the LODR Regulations

Sr. No	Events
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 Company: (i) arrangements for strategic, technical, manufacturing, or marketing tie-up; or (ii) adoption of new line(s) of business; or closure of operation of any unit, division, or subsidiary (entirety or piecemeal)
3	Capacity addition or product launch.
4	Awarding, bagging/ receiving, amendment or termination of awarded/ bagged orders/ contracts not in the normal course of business.
5	Agreements (viz. loan agreement(s) 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 name 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 the 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 SEBI from time to time.
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* Note: In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within thirty minutes from the closure of such meeting as against the timeline indicated in the table above.