



# **POLICY ON DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION**

**(Version: V10)**

## I. INTRODUCTION AND OBJECTIVE

1. In terms of Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR 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.
2. 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 LODR Regulations.
3. The Policy shall be published on the website of the Company.

## II. INTERPRETATION

1. 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) “**Designated Officers**” shall have the meaning assigned to it in Clause VII of this Policy.
  - (e) “**Key Managerial Personnel**” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
  - (f) “**LODR Regulations**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or substituted from time to time.
  - (g) “**Net Worth**” shall have the meaning assigned to it in Section 2(57) of the Act;
  - (h) “**Policy**” means this policy, as amended from time to time.
  - (i) “**SEBI**” means the Securities and Exchange Board of India.
  - (j) “**Relevant Employees**” for the purpose of this Policy, shall mean those officials of the Company who are members of its core management team excluding the Board of Directors, and shall comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director/Manager (including Chief Executive Officer and Manager, in case they are not part of the Board) and shall specifically include the functional heads by whatever name called and one level below them; and the Company Secretary and Chief Financial Officer of the Company, who will be responsible in identifying and reporting any potential material events/information to authorised Key Managerial

Personnel.

- (k) **“Stock Exchange(s)”** means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.
- (l) **“SEBI Disclosure Circular”** shall mean Circular on Disclosure of material events / information by listed entities under Regulations **30** and 30A of LODR Regulations issued by SEBI bearing reference No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023, as amended or replaced from time to time.
- (m) **“Turnover”** shall have the meaning assigned to it in Section 2(91) of the Act;

- 2. 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 and the Securities Contracts (Regulation) Act, 1956.

### III. Principles for determination of Materiality of events/information and Disclosure to Stock Exchanges thereunder

- 1. Materiality of an event or information, for the purpose of disclosure as per the provision of LODR Regulations, has to be determined on a case to case basis depending on specific facts and circumstances relating to the events/information. To determine whether a particular events/information is material in nature, the following criteria(s) may be considered before the disclosure is made:
- 2. Events or information specified in Para A of Part A of Schedule III of the LODR Regulations are “deemed” to be material. The applicable events (also referred to as “deemed disclosures”) are given in **Annexure-I**.
- 3. 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. The applicable events are given in **Annexure-II**. Following criteria will be applied for determination of materiality of such events/information:

- (a) **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:

- (i) 2% (two per cent) of consolidated Turnover, as per the last audited consolidated financial statements of the Company; or
- (ii) 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
- (iii) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 (three) years, as per the last 3 (three) audited consolidated financial statements

of the Company.

With respect to the above, 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.

(b) **Qualitative Criteria for determining materiality of event or information:**

- (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 came to light at a later date.
4. 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 Designated Officers, who have been delegated authority to determine materiality of event/information by the Board, such event or information is considered material.
5. In addition to the above, as per Paras C and D of Part A of Schedule III of the LODR Regulations, the Company is mandated to disclose the following:
- (a) any 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.
6. The Company is required to disclose all events or information with respect to its subsidiaries which are material for the Company;
7. 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 Company should to make adequate disclosures of such events or information immediately;
8. In case an event or information is required to be disclosed by the Company in terms of the provisions of LODR Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company should disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

#### IV. Timelines for disclosure of material events/information to the Stock Exchanges

1. The Company is required to 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:
  - (a) 30 (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;

“Provided that in case the meeting of the Board of Directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting:

Provided further that in case the meeting of the Board of Directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.”
  - (b) 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
  - (c) 24 (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 if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of subparagraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the listed entity in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the Company”
2. Disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the LODR Regulations or in SEBI Disclosure Circular should be made within such timelines.
3. In case the disclosure is made after the stipulated timeline, the Company would be required to provide an explanation for the delay along with the disclosure.
4. The Company is required to 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.
5. The Company is required to 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 and also provide the current stage of such event or information.

6. Events / information disclosed in terms of this Policy will be hosted on the website of the Company for the minimum period of 5 (five) years and thereafter as per the archival policy of the Company.

#### **V. Guidance on occurrence of event / availability of information**

1. The timing of occurrence of an event and/or availability of information has to be decided on a case to case basis.
2. In case of natural calamities, disruptions etc. the events/ information can be said to have occurred when the Company becomes aware of the information or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.
3. In matters which would depend on the stage of discussion, negotiation or approval, the events/information can be said to have occurred upon receipt of approval by the Board of Directors or after receipt of approval of the Board of Directors and shareholders, as the case may be.
4. However, considering the price sensitivity involved, for certain events e.g., decision on declaration of dividends etc., disclosures are required to be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.
5. In case in-principle approval or approval to explore (which is not final approval) is given by the Board of Directors, the same will not require disclosure under regulation 30 of the LODR Regulations.
6. The guidance provided by SEBI in the SEBI Disclosure Circular should be consider while determining when an event / information can be said to have occurred for disclosures under regulation 30 of the LODR Regulations.

#### **VI. Disclosure of agreement binding on the Company**

1. All shareholders, promoters, promoter group entities, related parties, directors, Key Managerial Personnel and employees of the Company or of its subsidiaries or associate company, who are parties to the agreements 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 are required to inform the Key Managerial Personnel referred to in Clause VII of this Policy, about the agreement to which the Company is not a party, within 2 (two) working days of entering into such agreement.
2. The agreements entered into by the Company in the normal course of business will 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 the LODR Regulations
3. On receipt of communication of any potential material event or information, the Designated Officers are required review the information, verify its time of occurrence, assess whether the disclosure of such information is required to be made or not to the Stock Exchanges. In the event it required to be disclosed to the Stock Exchange, the information disclosed will be required to include disclosure of any rescission, amendment or alteration of such agreements, whether or not the listed entity is a party to such agreements.

## VII. Authority to determine materiality of events/information

1. Following KMPs of the Company ("**Designated Officers**") have been severally authorized by the Board 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:
  - (a) Managing Director/Whole-time Director;
  - (b) Chief Financial Officer;
  - (c) Company Secretary and Compliance Officer
2. 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 Designated Officers 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.
3. Details of the above referred Designated Officers will be also disclosed to the Stock Exchange(s) and as well as on the Company's website.

## VIII. Responsibility of Relevant employees in reporting material events/information:

1. During the course of performance of one's role, the Relevant Employee are responsible for identifying pertinent events/information as mentioned in Annexure I and II to this Policy and as required under Regulation 30 of LODR Regulation read with Schedule III of LODR Regulation, which has potential to be classified as material events/information as per the Policy.
2. Such events or information are required to be forthwith reported to the Designated Officers by the Relevant Employee, upon occurrence, with adequate supporting data or information, to facilitate a prompt and appropriate disclosure to the Stock Exchanges.
3. The details so submitted must be authentic and comprehensive to enable the Designated Officer to make informed decision and take appropriate actions.
4. The Relevant employee should exercise necessary diligence to ensure confidentiality of the details being submitted to the Designated Officer.
5. Basis the materiality guidelines as specified in this Policy, the Designated Officer should determine whether such events/information is material for the purpose of disclosure.
6. On completion of assessment of such events/information, if determined as material, then the Designated Officer should make appropriate disclosure(s) to the Stock Exchanges.

## IX. AMENDMENTS

1. 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 should be inconsistent with the applicable provisions of any law for the time being in force, and this Policy does not, and should not, in any manner dilute any of the requirements set out under Regulation 30 read with Schedule III of the LODR Regulations.
2. The Designated Officers may review the Policy from time to time and recommend any revisions, amendments or replacement of provisions of this Policy to the Board. Any amendments to the LODR Regulations and SEBI Disclosure Circular in context of this Policy shall mutatis mutandis be deemed to have been incorporated in this Policy without approval of the Board.
3. For any other changes, Board approval will be sought. Should there be any inconsistency between the terms of the Policy and the LODR Regulations, the provisions of the LODR 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 of LODR Regulations (along with details and within the timelines as provided under the SEBI Disclose Circular):

Sr. No	Events	Timeline
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.	Within 12 (twelve) hours
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.	Within 12 (twelve) hours
3	New Ratings(s) or Revision in Rating(s).	Within 24 (twenty four) hours
4	<p>Outcome of Meetings of the Board of directors.</p> <p>The Company should disclose to the Stock Exchange(s) outcome of meetings of the Board of Directors, held to consider the following:</p> <p>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;</p> <p>b) any cancellation of dividend with reasons thereof;</p> <p>c) the decision on buyback of securities;</p> <p>d) the decision with respect to fund raising proposed to be undertaken;</p> <p>e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;</p> <p>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;</p> <p>g) short particulars of any other alterations of capital, including calls;</p> <p>h) financial results;</p> <p>i) decision on voluntary delisting by the listed entity from stock exchange(s):</p> <p>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.</p>	Within 30 minutes of the closure of the meeting
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.	This requirement is to be met within 12 (twelve) hours for agreements where the Company is a party and within 24 (twenty four) hours where the Company is not a party.

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 the LODR Regulations.</p>	This requirement is to be met within 12 (twelve) hours for agreements where the Company is a party and within 24 (twenty four) hours where the Company is not a party.
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.	Within 24 (twenty four) hours
7	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.	This requirement is supposed to be met within 12 (twelve) hours except in case resignation and within 24 (twenty four) hours in case resignation
7A	In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor.	This is required to be disclosed by the Company to the Stock Exchanges as soon as possible but not later than 24 (twenty four) hours of receipt of such reasons from the auditor.
7B	Resignation of independent director including reasons for resignation.	Within 7 (seven) days from the date of 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.	Within 7 (seven) days from the date that such resignation comes into effect
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).	Within 12 (twelve) hours

8	Appointment or discontinuation of share transfer agent.	Within 12 (twelve) hours
9	Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions	Within 24 (twenty four) hours
10	One time settlement with a bank.	Within 24 (twenty four) hours
11	Winding-up petition filed by any party / creditors.	Within 24 (twenty four) hours
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.	Within 12 (twelve) hours
13	Proceedings of annual and extraordinary general meetings of the Company.	Within 12 (twelve) hours
14	Amendments to memorandum and articles of association of Company, in brief.	Within 12 (twelve) hours
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.	At least 2 (two) working days in advance (excluding the date of the intimation and the date of the meet)
16	Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.	Within 24 (twenty four) hours
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.	This requirement is supposed to within 12 (twelve) hours if initiated by the Company and within 24 (twenty four) hours if initiated by external agency.
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.	Within 24 (twenty four) hours

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 along with the details pertaining to the actions(s) initiated, taken or orders passed.	Within 24 (twenty four) hours
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 (i) any other similar action(s) by whatever name called; along with the details pertaining to the actions(s) initiated, taken or orders passed.	Within 24 (twenty four) hours
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.	Within 12 (twelve) hours

\* 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 30 (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 (along with details and within the timelines as provided under the SEBI Disclose Circular):

<b>Sr. No</b>	<b>Events</b>	<b>Timeline</b>
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Within 12 (twelve) hours
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)	Within 12 (twelve) hours
3	Capacity addition or product launch.	Within 12 (twelve) hours
4	Awarding, bagging/ receiving, amendment or termination of awarded/ bagged orders/ contracts not in the normal course of business.	Within 24 (twenty four) hours
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.	This requirement is supposed to be met within 12 (twelve) hours for agreements where the Company is a party and within 24 (twenty four) hours for agreements where the Company is not a party.
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.	Within 24 (twenty four) hours
7	Effect(s) arising out of change in the regulatory framework applicable to the Company.	Within 24 (twenty four) hours
8	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.	Within 24 (twenty four) hours
9	Frauds or defaults by employees of the Company which has or may have an impact on the Company.	Within 24 (twenty four) hours
10	Options to purchase securities including any ESOP/ESPS Scheme.	Within 12 (twelve) hours
11	Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party.	Within 12 (twelve) hours
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Within 24 (twenty four) hours
13	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.	Within 12 (twelve) hours

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.	Within 24 (twenty four) hours
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.	Within the timelines specified by the Board

\* 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 30 (thirty) minutes from the closure of such meeting as against the timeline indicated in the table above.