

**MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED**  
**POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION**

**VERSION HISTORY**

<b>Name of Document</b>	<b>POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION</b>
<b>Version</b>	5.0
<b>State whether Policy/Code/Manual/ Guideline</b>	Policy
<b>Issuing Authority</b>	Board of Directors
<b>Owner</b>	Disclosure Committee
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<b>Effective Date</b>	01-12-2015
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<b>Version History</b>	<p>Version 1.0  Issued on 21-10-2015 effective 01-12-2015</p> <p>Version 2.0 dated 18-07-2020  Amended the list of Key Managerial Personnel of the Company entitled to approve materiality of events</p> <p>Version 3.0 dated 18-09-2020  Amended the list of Key Managerial Personnel of the Company entitled to approve materiality of events</p> <p>Version 4.0 dated 05-03-2021  Amended the list of Key Managerial Personnel of the Company entitled to approve materiality of events</p> <p>Version 5.0 dated 28-07-2023  Amended to incorporate requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“Listing Regulations”) and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July 2023 effective 15-07-2023</p>

## POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION

### 1. INTRODUCTION

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time and the Circulars issued thereunder, require the Company to disclose material events or information.

The Listing Regulations have classified disclosure of material events/information, into the following categories:

- i. Events which are considered to be **deemed material events**, and which need to be disclosed without application of the “materiality criteria”. These events are specified in Para A of Part A of Schedule III of Listing Regulations.
- ii. Events which need to be disclosed based on the **application of the “materiality criteria”**. These events are specified in Para B of Part A of Schedule III of Listing Regulations.
- iii. **Other events** as specified in Para C of Part A of Schedule III of Listing Regulations.

Without prejudice to the generality of the above, the Company may make disclosures of event/information as specified by SEBI from time to time.

The Listing Regulations also mandate the Company to frame a policy for determination of materiality, based on the criteria mentioned in the Listing Regulations, for disclosure of events mentioned in Para B of Part A of Schedule III of Listing Regulations, and hence the Board of Directors of the Company at its Meeting held on 21<sup>st</sup> October, 2015 had adopted this Policy and framed “Indicative Guidelines” under the Policy.

SEBI has also specified the information that needs to be provided whilst disclosing events/ information and the timelines for such disclosures, which are also covered in the “Indicative Guidelines” framed under this Policy. In case the Company does not disclose any such specified details as per the timelines, it shall state appropriate reason(s) for the same as part of the disclosure.

SEBI vide notification dated 14<sup>th</sup> June, 2023, *inter alia* amended Regulation 30 and Schedule III of the Listing Regulations (“Amended Regulations”). Accordingly, this Policy is updated in accordance with the requirements of the Amended Regulations and other SEBI Circular(s) specified in this regard.

This Policy applies to disclosure of events or information which are material to the Company and does not dilute any requirement specified under the provisions of the Listing Regulations.

**The effective date of the Policy was 1<sup>st</sup> December 2015 and the amendments made to this Policy are effective from 15<sup>th</sup> July, 2023 except clause no 9 pertaining to market rumours which shall be effective from 1<sup>st</sup> April, 2024 or such other extended date as may be specified by SEBI.**

## **2. TITLE**

This Policy shall be called 'Policy for determination of materiality for disclosure of events or information'.

## **3. AUTHORITY**

The Board has constituted a Disclosure Committee comprising of Managing Director, Whole-time Director, if any, Chief Financial Officer and Company Secretary being Key Managerial Personnel of the Company (hereinafter referred to as "Disclosure Committee").

The Disclosure Committee may invite senior functionaries as invitees to the Disclosure Committee.

## **4. DECISION MAKING OF THE DISCLOSURE COMMITTEE**

The Disclosure Committee members and the invitees may meet physically or may interact through e-mails or any other means as the members of the Disclosure Committee may deem fit.

## **5. ROLES AND RESPONSIBILITIES**

The Roles and Responsibilities of the Disclosure Committee shall include the following:

1. To ensure compliance with the disclosure requirements under Regulation 30 of the Listing Regulations and such other Circulars as may be specified by SEBI in this regard;
2. To take a view on the materiality of an event or on the price sensitivity of an event that qualifies for disclosure under Regulation 30 of the Listing Regulations;
3. To determine the appropriate time at which the disclosures are to be made to the stock exchanges which shall be in adherence to the requirements of Regulation 30 of the Listing Regulations;
4. To review and finalize the details to be disclosed including updating material developments on a regular basis till such event is closed/resolved with relevant explanation. The contents of the disclosure shall be in line with the Listing Regulations and SEBI Circulars issued in this regard, and as may be amended from time to time.
5. To consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in any Paras A, B and C of Part A of Schedule III of Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matter;
6. To determine materiality thresholds of events/ information mentioned in Regulation 2(n) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, which is likely to materially affect the price of the securities (constituting UPSI);
7. To evaluate the information submitted by the Relevant Employees of the Company (as defined in the Indicative Guidelines) about any potential material event or information and to determine if disclosure is required to be made to the Stock Exchanges.

8. To review the event or information requiring disclosure to the Stock Exchanges in terms of the provisions of Regulation 30 of the Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, unless disclosure of such communication is prohibited by such authority.
9. To make necessary amendment(s) to the Policy and Indicative Guidelines framed thereunder as may be required from time to time.

## **6. MATERIALITY CRITERIA OF THE EVENT OR INFORMATION**

Materiality criteria shall have to be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information mentioned at Para B of Part A of Schedule III of Listing Regulations. In order to enable determining whether a particular event/information is material in nature, the Disclosure Committee shall consider the following criteria in accordance with the Listing Regulations as amended from time to time:

1. The omission of an event or information, which is likely to result in:
  - a) discontinuity or alteration of event or information already available publicly; or
  - b) significant market reaction if the said omission came to light at a later date; or
  - c) whose value or the expected impact in terms of value, exceeds the lower of the following:
    - (i) two percent of turnover, as per the last audited consolidated financial statements of the Company;
    - (ii) two percent 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;
    - (iii) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company; or

*Note: 'Absolute value of profit or loss after tax' means absolute figures of profit/loss. The threshold with respect to profit/loss is to be computed by taking the absolute values of profit or loss after tax for the immediately preceding three audited consolidated financial statements of the Company. The averaging does not mean netting-off in this case where profits of Company in one year gets reduced due to the losses in other financial years, rather, the values are required to be taken on an absolute basis.*

2. In case where the criteria specified in clauses (a), (b) and (c) are not applicable, an event/ information may be treated as deemed material, if in the opinion of the Board of Directors of the Company, the event/ information is considered material.

In respect of events or information pertaining to subsidiaries, the Disclosure Committee may consider the criteria mentioned above and the Indicative Guidelines prescribed by the Board, for determining materiality of such events or information vis-à-vis the Company.

The Committee may, from time to time, modify or amend existing Indicative Guidelines or specify new guidelines to ascertain materiality of events/ information in this regard.

## **6. TIMEFRAME FOR DISCLOSURE TO STOCK EXCHANGES**

In accordance with the Listing Regulations, all material events or information shall be disclosed to the Stock Exchanges as soon as reasonably possible and in any case not later than the following:

- a) 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;
- b) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

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

In case the Company discloses any event or information after the timelines specified under the Listing Regulations, it shall, along with such disclosure provide the explanation for the delay.

## **7. ASSISTANCE TO RELEVANT EMPLOYEES**

Relevant employees shall be guided by this Policy & Indicative Guidelines in identifying any potential material event/information, which comes to their knowledge and the same shall be reported to the Disclosure Committee for determining the materiality of the said event/information and making necessary disclosures to the Stock Exchange(s).

## **8. MARKET RUMOUR VERIFICATION**

With effect from 1<sup>st</sup> April 2024 or such other date as may be prescribed under the Listing Regulations, and as applicable to the Company, the Company shall 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 the Listing Regulations 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. If the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

Until then, the Company may on its own initiative also, confirm, deny or clarify any reported event or information to Stock Exchange(s).

## **9. DISCLOSURES ON WEBSITE**

All events or information disclosed to the Stock Exchanges under Regulation 30 of the Listing Regulations shall be hosted on the website of the Company for a minimum period of 5 years and thereafter as per the archival policy of the Company.

## **10. AMENDMENTS**

The Disclosure Committee is authorized to amend this Policy as may be required from time to time, subject to applicable laws

## **11. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Regulations/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations or statutory enactments, rules or any other applicable laws, shall prevail over this Policy even if the amendments are not specifically incorporated in this Policy.

## **12. DISSEMINATION OF POLICY**

This Policy shall be hosted on the intra-net and website of the Company.

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