



**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

**POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION**

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**VERSION DETAILS**

<b>Sr. No.</b>	<b>Details of Changes</b>	<b>Date of Creation/ Change</b>	<b>Department</b>	<b>Author</b>	<b>Version Number</b>	<b>Approved By</b>
1.	Original Document	19/10/2015	Corporate Secretarial	Mr. Murli Iyer	Ver. 1.0	Board of Directors
2.	Changes due to Regulatory amendment	27/07/2023	Corporate Secretarial	Mr. Kailash Purohit	Ver. 1.1	Board of Directors

## **I. SCOPE OF THE POLICY**

The Policy on the Determination of Materiality of Events/Information (“the Policy” / “this Policy”) is prepared in accordance with the requirements of the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”).

The Policy applies in respect of disclosure of material events in relation to the Company, its subsidiaries, Directors, Promoters, Key Managerial Personnel, Senior Management Personnel as required under Applicable Laws.

## **II. OBJECTIVE OF THE POLICY**

- A. The Company believes in principles of disclosure and transparency and understands that timely disclosure of relevant information to the shareholders of the Company is important to protect the interests of shareholders of the Company. Non-compliance with the principles of disclosure and transparency can present potential risks to Company including by way of loss of shareholder confidence, non-compliance risks of the various regulations to the Company and may raise questions about the governance practices in the Company.
- B. This Policy is laid down to express the Policy of the Company for identification / determination of material events/information which require prompt disclosure to the Stock Exchanges in accordance with the Listing Regulations.
- C. The objectives of this Policy are as follows:
  - i. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations (In India or Overseas).
  - ii. To ensure that the information disclosed by the Company is timely and transparent.
  - iii. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
  - iv. To protect the confidentiality of Material/Price sensitive information within the context of the Company’s disclosure obligations.
  - v. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
  - vi. To ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures.

## **III. AUTHORISED KEY MANAGERIAL PERSONNEL**

Managing Director/Whole-time Director/Chief Executive Officer/Manager, Chief Financial Officer and the Company Secretary [Authorised Key Managerial Personnel (“KMP”)] shall jointly or severally determine materiality of information/events and dissemination of the same as covered by this Policy. The Company Secretary will be the single point of contact for the above signatories who are authorised to determine materiality and make distributions covered by this Policy.

The Senior Management Personnel and such other persons, as determined by the aforesaid KMP shall be relevant employees for the purpose of this Policy, to identify potential event or information pertaining to their functional roles and report the same to the aforesaid KMP with the help of this Policy for Determining the Materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

The Authorised KMP shall ascertain the materiality of such event(s) or information based on the above guidelines. On completion of the assessment, the Authorised KMP shall make appropriate disclosure(s) to the Stock Exchanges.

The Board of Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, KMP, Subsidiary and all other words not defined herein shall have the same meaning as assigned to those terms under the Securities and Exchange Board of India Act, 1992, Companies Act, 2013, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996 and other applicable Laws, and/or the rules and regulations made thereunder, as the case may be.

The Authorised KMP are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

#### **IV. THE BASIC PRINCIPLES REGARDING FAIR DISCLOSURE OF EVENTS/ INFORMATION**

This Policy aims to follow the following principles:

##### **A. Timeliness:**

(a) Events specified in Para A of Part A of Schedule III of the Listing Regulations (as amended from time to time) shall be deemed to be material events and the Company shall make disclosure of such events or information within the following timelines:

- (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.

In case the disclosure is made after the timelines specified under Listing Regulations, the Company shall, along with such disclosure provide the explanation for the delay.

(b) The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the Listing Regulations (as amended from time to time), based on the Application of Guidelines for determining materiality of event or information, as specified in this Policy within the timeline as specified in point (a) above.

**B. Transparency:** Disclosure of material information with sufficient details that fosters, promotes and strengthens investors' confidence in the Company.

- C. **Fairness:** Ensure wide dissemination of information avoiding the selective disclosure.
- D. **Confidentiality:** Maintaining the confidentiality of price sensitive information having regard to the disclosure obligations under this Listing Regulations.
- E. **Accuracy:** Ensuring the disclosure of accurate information to the Stock Exchanges and to the various stakeholders of the Company.
- F. **Reliable:** The information disclosed to be reliable and trust worthy.
- G. **Need to know basis:** Ensure that all the price sensitive information is made available only on a need to know basis and provide guidance to the persons on the means to handle such information.
- H. **Materiality:** Ensures that all material information is made generally available in compliance of the provisions as applicable under the Listing Regulations.
- I. **Other:**
  - i) The Company shall, with respect to the disclosures referred to in the Listing Regulations, make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
  - ii) The Company shall provide specific and adequate reply to all queries raised by stock exchange with respect to any events or information.
  - iii) The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s) and 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. are circulating amongst the investing public, as soon as reasonably possible and not later than twenty-four hours from the reporting of the event or information in case the Company confirms the reported event or information, it shall also provide the current stage of such event or information.
  - iv) 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.
  - v) The Company shall disclose all events or information with respect to Subsidiary(ies) which are Material for the Company.
  - vi) In case where an event occurs or information is available with the Company, which has not been prescribed under Para A & Para B of Part A of Schedule III of the Listing Regulations, based on the Application of Guidelines for determining, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

## V. RELEVANT REGULATIONS

- A. Schedule III (Part A) (A), Schedule III (Part B), Schedule III (Part C) and Schedule III (Part D) of the Regulations prescribe a list of events which are deemed to be material events and are required to be disclosed by the Company promptly to the shareholders through the stock exchanges by the Company within the prescribed time.
- B. Schedule III (Part A) (B) of the Regulations specifies the list of events which may or may not be material to the Company and for which the Company has to apply the guidelines for materiality as specified in Regulation 30(4) in order to determine whether the event is material.
- C. Regulation 30(4) reads as follows: -
- (i) The listed entity shall consider the following criteria for determination of materiality of events/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; 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:
      - i. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
      - ii. two percent of net worth, as per the last audited consolidated financial statements of the listed entity, 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 listed entity; or
    - (d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material.
  - (ii) The listed entity shall frame a Policy for Determination of Materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

Provided that such a Policy for Determination of Materiality shall not dilute any requirement specified under the provisions of these Regulations.

Provided further that such a Policy for Determination of Materiality shall assist the relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

D. Regulation 30(9) reads as follows:

“The listed entity shall disclose all events or information with respect to its subsidiaries which are material for the listed entity.”

Accordingly, the Company shall disclose all events or information with respect to all subsidiaries, which are material to the Company.

## VI. GUIDELINES FOR DETERMINING MATERIALITY OF EVENT/INFORMATION

A. The Company through this Policy intends to determine whether an event or information is material or not in the following manner: -

- a. Step 1: Classifying the information or event as i) Having an immediate monetary impact in the current or next financial year (“Monetary Events/Information”) or ii) Not having any immediate monetary impact in the current or next financial year (“Non-monetary Events/Information”).
- b. Step 2: For Monetary Events/Information if the total monetary impact of the event/information 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.
- c. Step 3: For Non-Monetary Events/Information that, i) have a bearing on the performance/operation of the Company or ii) which is considered to be unpublished price sensitive information [as per the SEBI (Prohibition of Insider Trading) Regulations, 2015] or iii) shall affect payment of interest or dividend of non-convertible preference shares or redemption of non-convertible debt securities or redeemable preference shares, shall be evaluated by the Authorised KMP’s for disclosure. The Authorised KMP’s shall evaluate the information based on the guidelines as provided in Regulation 30(4).
- d. Step 4: The Authorised KMP’s in case of any doubt on whether any Event/Information is material or not, call for the Board Meeting to decide on the materiality of an event/information.

## VII. DISCLOSURE OF OTHER EVENT/INFORMATION

The Company shall disclose 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 listed entity which may

be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

### **VIII. GUIDANCE ON WHEN AN EVENT/INFORMATION HAS OCCURRED**

1. The Company may be confronted with the questions as to when an event/information can be said to have occurred.
2. In certain instances, the answer to above question would depend upon the stage of discussion, deliberation, negotiation or approval and in other instances where there is no such discussion, deliberation, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the Company became aware of such event/information.

In the former, the events/information can be said to have occurred upon receipt of approval of the Board of Directors e.g. further issue of capital by rights issuance and in certain events/information, after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividend etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

In the latter, the events/information can be said to have occurred when a Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013.

3. Nothing in this Policy is intended to restrict the Company from voluntarily disclosing any additional information and the Authorised KMP's are jointly authorised to disclose additional information as may be considered important by the Authorised KMP's for disclosure of such information to the shareholders.

### **IX. IMPLEMENTATION AND MONITORING**

- A. The Authorised KMP of the Company are severally authorized by the Board to decide whether any event or information is material and for the purposes of making disclosures to the stock exchanges.
- B. The Authorised KMP shall in case of any doubt, call for a meeting (including by way of telephone call) of the Board of Directors of the Company to decide on the materiality of any event/information.

## X. WEBSITE

The Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the Archival Policy of the Company.

## XI. CONTACT DETAILS

Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Company Secretary & Compliance Officer, who is in charge of administering, enforcing and updating this Policy.

- Contact Details:

**Kailash Purohit**  
**Company Secretary & Compliance Officer**  
E-mail Id: [shareholders@motilaloswal.com](mailto:shareholders@motilaloswal.com)  
Contact Details: 022 7193 4200/4263

## XII. REVIEW/REVISION OF THE POLICY

If at any point a conflict of interpretation/information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board and/or its Committee reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.