

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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POLICY FOR DETERMINATION OF MATERIALITY

1) Objective:

The objective of the Policy is to ensure timely and adequate disclosure of material events and price sensitive information under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereafter (hereinafter referred to as "Listing Regulations") by Shriram Asset Management Company Limited ("the Company").

2) Scope:

The Company shall make disclosures of the events or information which, in the opinion of the Board of Directors is material.

Events specified in Para A of Part A of Schedule III are deemed to be material events and the Company shall make the disclosure of such events.

The Company shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality.

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:
 - (1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - (2) 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;
 - (3) 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;
- (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.

As per the Regulation 30 read with Schedule III of the Listing Regulations, the Company shall disclose to the Stock Exchange(s) where it is listed i.e. BSE Limited, the following types of material events:

A. Deemed to be Material Events without application of the guidelines for materiality (Para A of Part A of Schedule III) :

- 1) Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity 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 Rating(s) or Revision in Rating (s).
- 4) Outcome of Meetings of the board of directors. The Company shall disclose to BSE Limited the outcome of meetings of the board of directors held to consider the following:
 - dividends recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - any cancellation of dividend with reasons thereof;
 - the decision on buyback of securities;
 - the decision with respect to fund raising proposed to be undertaken including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method;
 - increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - 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;
 - short particulars of any other alterations of capital, including calls;
 - financial results;

- decision on voluntary delisting by the listed entity from stock exchange(s).
- 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 listed entity), 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) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity 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 listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity 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 listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

- 6) Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, 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.
- 8) In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 9) Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entity:

- The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
- 10) 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 listed entities within seven days from the date that such resignation comes into effect.
- 11) In case the Managing Director or Chief Executive Officer of the listed entity 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).
- 12) Appointment or discontinuation of registrar to an issue and share transfer agent.
- 13) 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) Finalisation of Resolution Plan;
 - (iv) Implementation of Resolution Plan;
 - (v) Salient features, not involving commercial secrets, of the resolution / restructuring plan as decided by lenders.
- 14) One time settlement with a bank.
- 15) Winding-up petition filed by any party / creditors.
- 16) 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 listed entity.
- 17) Proceedings of Annual and extraordinary general meetings of the listed entity.

- 18) Amendments to memorandum and articles of association of listed entity, in brief.
- 19) (i) Schedule of Analyst or institutional investor meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and (ii) presentations prepared by the listed entity to analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed to the recognized stock exchanges prior to beginning of such events.
- 20) Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:
- 21) (i) The audio recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier; (ii) the video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls; (iii) the transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchange within five working days of the conclusion of such calls.
- 22) The various events as mentioned under Schedule III Part A, Sub part A, subparagraph 16 of Listing Regulations in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.
- 23) 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 listed entities:
 - 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 listed entity along with comments of the management, if any.
- 24) Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.
- 25) Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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 other details as specified in the Listing Regulations.
- 26) Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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 other details as specified in the Listing Regulations.
- 27) 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. Other Material Events which shall be disclosed upon application of the guidelines for materiality (Para B of Part A of Schedule III):

- 1) Any of the following events pertaining to the listed entity:
 - (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).
- 2) Disruption of operations due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
- 3) Commencement or any postponement in the date of commencement of Commercial Operations.
- 4) Effects arising out of change in regulatory framework.
- 5) Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
- 6) Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
- 7) 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.
- 8) New product launch.

- 9) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- 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, 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 Board from time to time.

3) Prompt Disclosure of material events and Price Sensitive Information:

Information of material events and Price sensitive information shall be given by the Company to Stock Exchanges and disseminated on a continuous and immediate basis, so that present and potential investors are able to take informed decision with respect to their investment in the Company. The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of Regulation 30 of the Listing Regulations 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:

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 listed entity 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.

- (ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that if all the relevant information, in respect of claims which are made against the listed entity under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III of the Listing Regulations, 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 listed entity.

4) Disclosure requirements for certain types of agreements binding listed entities:

All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a listed entity or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to these regulations, shall inform the listed entity about the agreement to which such a listed entity is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements:

Provided that for the agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III (i.e. June 14, 2023), the parties to the agreements shall inform the listed entity, about the agreement to which such a listed entity is not a party and the listed entity shall in turn disclose all such subsisting agreements to the Stock Exchanges and on its website within the timelines as specified by the Board.

5) Authorisation for disclosures:

5.1 Information disclosure shall be approved by the Chairman or Managing Director of the Company. They shall have authority to decide:

- i) The event that qualifies for disclosure as per Regulation 30 of the Listing Regulations.
- ii) The details that may be filed in the best interest of present and potential investors.

5.2 All such disclosures shall be signed by the Chairman or Managing Director or Company Secretary.

5.3 Managing Director/CEO or Company Secretary or Chief Financial Officer shall be authorized for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s).

6) Posting of information on Corporate website:

Such afore-said information shall also be posted on the Company's website.

7) Amendments to the Policy:

The Policy shall be reviewed and updated or modified, as and when there are any changes in applicable laws or regulatory requirements and shall be reviewed annually.