



MANAPPURAM FINANCE LIMITED (MAFIL)

POLICY FOR DETERMINATION OF MATERIALITY AND DISCLOSURE OF MATERIAL EVENTS/INFORMATION

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Contents

1. Background:	3
2. Objective and Scope:	3
3. Definitions:	3
4. Authorization for Determination of Materiality and Disclosure:	5
5. Compliance officer:	5
6. Guidelines / Criteria for Determination of Materiality-	5
7. The Policy:	6
8. Authorization to KMPs to Suo-Moto Acceptance/Denial of Reported Event/ Information	15
9. Website Updation:	15
10. Review and Amendment of Policy:	16
11. Board's Approval	16



POLICY FOR DETERMINATION OF MATERIALITY AND DISCLOSURE OF MATERIAL EVENTS/INFORMATION

(Last Amended in the Board dated on 18th May 2022)

I. Background:

As mandated under regulation 30(4)(ii) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR**”), the company is required to frame a policy for determination of materiality based on the criteria as specified in the regulation 30(4)(i) of LODR and is required to make disclosure of events/ information as specified in Part A of Schedule III of LODR.

The Board of Directors of Manappuram Finance Limited has framed and adopted following policy for determination of materiality of events in respect of disclosure of material events /information under regulation 30 read with Part A of Schedule III of LODR.

II. Objective and Scope:

Events or information are categorized under this policy as upon its occurrence, upon application of the guidelines/criteria for determination of materiality as referred in LODR and such other information/events which are necessary to enable the holders of securities of the Company to appraise the position of Company and to avoid establishment of a false market in such securities.

The policy is intended to provide guidance to the Board of Directors, Key Managerial Personnel and other senior executives of the Company for determination of materiality and in making decision to disclose events/information which may have bearing on the performance of the company and may materially affect share price of the company. This policy is framed for the purpose of systematic identification of a particular event/ information of the Company as material, categorization, its disclosure, instances to avoid establishment of false market, review, authorization, disclosure of events or information in respect of subsidiaries which are considered material to the Company and updation of website.

III. Definitions:

“**AMFI**” means Association of Mutual Funds of India.



“**Board of Directors**” or “**Board**” means Board of Directors of Manappuram Finance Limited.

“**the Company**” means Manappuram Finance Limited.

“**Director**” means a person who holds directorship in the Company.

“**IRDAI**” means Insurance Regulatory and Development Authority of India.

“**Key Managerial Personnel**” or “**authorised Key Managerial Personnel**” or “**KMPs**” means Managing Director, Executive Director, Chief Financial Officer and Company Secretary of the Company who are authorised under this policy to determine materiality of events or information and to make disclosure.

“**LODR**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and its amendments from time to time applicable to the Company.

“**NPCI**” means National Payments Corporation of India.

“**the Policy**” or “**this Policy**” means Policy for Determination of Materiality and Disclosure of Material Events/Information.

“**Projected turnover**” means turnover projected in respect of a particular business vertical or line for the complete financial year.

“**Stock Exchanges**” means National Stock Exchange BSE Limited and Singapore Stock Exchange where the securities of the Company are listed.

“**Subsidiaries**” means Manappuram Home Finance Ltd., Asirvad Microfinance Ltd, Manappuram Insurance Brokers Limited, Manappuram Comptech and Consultants Ltd and such other companies which may become subsidiary of the Company from time to time.

“**Turnover**” means as defined under Section 2(91) of the Companies Act, 2013.

All the Words and expressions used in this Policy, unless defined hereinbefore, shall have meaning respectively assigned to them under the LODR and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

IV. Authorization for Determination of Materiality and Disclosure:



The Key Managerial Personnel (KMPs) consisting **Managing Director & CEO, Executive Director, Chief Financial Officer and Company Secretary** are hereby jointly or severally authorised to determine whether the event / information is material or not and also the above KMPs are hereby severally authorised to make the disclosure based on the category of information as specified in this policy to the stock exchanges and such information to be placed prior to or at the immediate Board Meeting held after the said information being made to public.

V. Compliance officer:

The Compliance Officer for the purpose of complying with the provisions of LODR shall be the Company Secretary of the Company and he shall ensure disclosures made under this policy are disseminated on the website of the Company. The Compliance Officer shall advise and assist the Board or other KMPs to determine the materiality of an event or information under this policy and the provisions of LODR.

VI. Guidelines / Criteria for Determination of Materiality:

The following are the criteria or guidelines to be applied in respect of Categories C to E as classified hereunder;

- i. The omission of an event or information would likely to result in discontinuity or alteration of event or information already available publicly.
- 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;
- iii. In case where the criteria of an events / information' does not fall in the first two categories, but still in the opinion of the board of directors are considered material.

VII. The Policy:

The Board of Directors of the Company or authorized KMPs shall determine the materiality of the events/information which are classified under the Categories D and E and such other events or information in the opinion of Board or KMPs as material and having a bearing on the performance or operation of the company or any of its subsidiaries or price sensitive. The authorized KMP shall make the disclosure of such events/information to the stock exchange in accordance with the provisions of LODR and this policy.

Events or information enumerated under;



Category A shall be disclosed to stock exchanges upon the conclusion of meetings of Board of Directors of the Company;

Category B shall be disclosed to stock exchanges upon its occurrence without any application of the criteria/guidelines for materiality under this policy;

Category C shall be disclosed to stock exchanges upon application of guidelines for materiality and limit as mentioned under the respective event / information;

Category D and E shall be disclosed to stock exchanges upon its determination of materiality by the Board or KMPs, as the case may be.

Any other information or events other than those are categorized in the policy but may be considered material in opinion of Board from time to time, shall be disclosed to stock exchange **within 24 hours of such decision or determination as material** by the board.

Category A

Outcome / decision of meetings of the Board of Directors shall be disclosed to the stock exchanges, **within 30 minutes of the closure of the meeting, held to consider** the following:

- 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;
- b) any cancellation of dividend with reasons thereof;
- c) the decision on buyback of securities;
- d) the decision with respect to fund raising proposed to be undertaken
- e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- 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;
- g) short particulars of any other alterations of capital, including calls; h) financial results;
- i) decision on voluntary delisting by the listed entity from stock exchanges.



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.

Category B

The following events / information which shall be disclosed without any application of the guidelines for materiality to the stock exchanges **within 24 hours from the occurrence of such events/information:**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or another restructuring.

Explanation: - For the purpose of this sub-para, the word 'acquisition' shall mean

- (i)acquiring control, whether directly or indirectly; or,

(ii)acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -

(a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;

(b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

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. Revision in Rating(s).

4. 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.

5. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.



6. Change in directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

(6A) 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.

(6B) 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 entities:

i. The letter of resignation along with detailed reasons for the resignation as given by the said director.

ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.

ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.

iii. 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) above.

7. Appointment or discontinuation of share transfer agent.

8. 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) Finalization of Resolution Plan;

(iv) Implementation of Resolution Plan;

(v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.].

9. One-time settlement with a bank.



10. Reference to BIFR and winding-up petition filed by any party /creditors.
11. 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.
12. Proceedings of Annual and extraordinary general meetings of the listed entity.
13. Amendments to memorandum and articles of association of listed entity, in brief.

14. (a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

(b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:

(i) the presentation and the audio/video 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 transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.

15. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
 - d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;



- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional; j) Filing of resolution plan with the Tribunal;
- j) Approval of resolution plan by the Tribunal or rejection, if applicable;
- k) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - (i) Pre and Post net worth of the company
 - (ii) Details of assets of the company post CIRP;
 - (iii) Details of securities continuing to be imposed on the companies' assets;
 - (iv) Other material liabilities imposed on the company;
 - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (vi) Details of funds infused in the company creditors paid
 - (vii) Additional liability on the incoming investors due to the transaction source of such funding etc.
 - (viii) Impact on the investor revised P/E, RONW (Return on Networth) ratios etc.



- (ix) Names of the new promoters, key managerial persons(s) if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control.
 - (x) Brief description of business strategy.
 - l) Any other material information not involving commercial secrets.
 - m) Proposed steps to be taken by the incoming investor/acquirer for the MPS (Minimum Public Shareholding)
 - n) Quarterly disclosure of the status of achieving the MPS
 - o) The details as to the delisting plans, if any approved in the resolution plan.
- 16) 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 **Category C**

The following events/information are considered as a material in the view of the board of directors upon application of guidelines for materiality, which shall be disclosed to stock exchanges **within 24 hours from the occurrence of such events / information:**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division:

Commencement or any postponement in the date of commencement in commercial operation of new business vertical or line shall be material, if such new business vertical was approved by the Board as per Point 2 herein below.



2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).

- a. Any change in the general character or nature of business brought either by way of strategic tie-ups or new technology absorption or new vertical attributed to more than 25% of total turnover in a financial year;
- b. Adoption or approval of new business vertical or line by the Board and if such new business line or vertical's projected turnover is more than 15% of turnover in the preceding audited financial statements;

Illustration: In case of a new business commenced 1st of January 2016, the projected turnover of next complete financial year viz. FY2016-17 shall be taken and be compared to the turnover of FY2014-15 audited financials for the materiality test.

- c. Closure of more than 100 branches as on last day of any calendar quarter.

3. Capacity addition or product launch.

- a. Opening of more than 100 branches as on last day of any calendar quarter;
- b. Launch of new products/services other than regular schemes in the normal course of business, if such new products / services' projected turnover more than 2% of turnover in the preceding audited financial statements.

4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.

Any order or contract awarded / bagged / received or executed to / by the company and any amendment or termination of such order / contract, which is not in the normal course of business, with the value exceeding 10% of turnover in the preceding audited financial statements.

5. Agreements (viz. loan agreement(s) (as a borrower) 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.

Any loan agreement as a borrower or any other agreement and its revision or amendment or termination thereof, which is binding the company but not in the normal course of business



with the value exceeding Rs.250.00 Crores or 25% of total turnover in the preceding audited consolidated financial statements, whichever is higher.

6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.

- a. Disruption of operations in any one or more regions of the Company due to natural calamity such as earthquake, flood, force majeure or events such as strikes, lockouts etc. which result in declining of business more than 25% of total business of the Company in the preceding quarter;
- b. Disruption of operations in any one or more branches of the Company due to fire which result in declining of business more than 25% of total business of the Company in the preceding month

7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.

Any change in Companies Act and rules made thereunder, listing related regulations, SEBI Act, RBI Act and rules, regulations, orders, circulars, guidelines made thereunder / issued by the SEBI, RBI from time to time, Direct and Indirect Tax Laws, Anti-Money Laundering / Anti-Corruption Laws, Indian Arbitration Laws, Money Lenders Act of respective states, Insurance Laws, Foreign Exchange Management Law, Central and States Labour, Economic and Employment Laws which results in material change in the general character of business of the company and such material change in the general character of business shall be determined either by authorized Key Managerial Personnel jointly or by the Board, case to case.

8. Litigation(s) / dispute(s) / regulatory action(s) with impact.

Any Quasi-Judicial Appellate Tribunals, High Courts and Supreme Court orders/judgements under the litigation or final and binding award of Arbitrator/s under the contractual dispute; or any action taken by RBI, SEBI, Stock Exchanges, FIU, Stock Exchange/s, Depositories which adversely or favorably impact the business more than 25% of total turnover of the Company in the preceding audited consolidated financial statements.



9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.

Any fraud or default, by the directors of the company other than Managing Director and Executive Director or by the employees of the Company other than Chief Financial Officer and Company Secretary which adversely impact the business more than 5% of total turnover of the Company in the preceding audited consolidated financial statements.

10. Options to purchase securities including any ESOP/ESPS Scheme.

Approval of ESOP or ESPS scheme by the Board other than approval for re-issue of lapsed options or schemes.

11. Giving of guarantees or indemnity or becoming a surety for any third party. Approval of

Board to give guarantee or provide security / indemnity or become a

surety in respect of loan taken by any third party other than subsidiaries of the company and if such guarantee or security or indemnity or surety is more than 30% of net worth of the company in the preceding audited consolidated financial statements.

12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

- a. Obtaining registration, license or approval from RBI, SEBI, IRDAI, AMFI, NPCI, CDSL, NSDL, BSE, NSE and such other regulators in respect of new business vertical or new line of business as referred in above Point 1;
- b. Withdrawal, surrender, cancellation or suspension of above such registration, license or approval or any existing registration, license or approval of RBI, SEBI, CDSL, etc. which comes into effect.

Category D

In the view of the Board, any other events/information shall be considered material upon application of the following yardsticks, which shall be disclosed to stock exchanges within 24 hours of determination of materiality by the Board or authorized KMPs jointly, as the case may be.

- i. any other information/event which is likely to affect business;



- ii. 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;
- iii. any other information which may be necessary to avoid the establishment of a false market in securities of the Company.

Category E

Any other events/information with respect to subsidiaries of the Company which may in the opinion of the Board or authorized KMPs jointly, as the case may be, considered or determined as material for the Company which shall be disclosed to stock exchange within 3 working days of its consideration or determination as material.

PROVIDED THAT authorized KMPs jointly or Board of Directors, as the case may be, at their option or decision, disclosure can be made to stock exchanges in respect of any of above categorized events / information even though such events or information are not considered material under this policy.

PROVIDED FURTHER THAT in case of any ambiguity or lack of clarity for determination of materiality in respect of any of above events / information by authorised KMPs, the same may be referred to Board of Directors for determination.

VIII. Authorization to KMPs to Suo-Moto Acceptance/Denial of Reported Event/Information

The Key Managerial Personnel / KMPs consisting **Managing Director & CEO, Executive Director, Chief Financial Officer and Company Secretary** are hereby jointly or severally authorised to suo-moto accept / deny any reported event or information, which has been unauthorized, made public by media or by any other means including but not limited to electronic means. They are further authorised to respond to the rumors amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such action taken by the KMPs shall however, be brought to the attention of the Board of Directors at its subsequent meeting.

IX. Website Updation:

The Company shall update all disclosures made under the LODR and the policy to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention / archival policy of the Company.



X. Review and Amendment of Policy:

This policy shall be reviewed and amended by the Board of Directors as and when deemed necessary and to comply with any amendments or modifications in LODR.

XI. Board's Approval:

This policy was approved by the Board of Directors at its meeting held on November 05, 2015.

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