

# MAX FINANCIAL SERVICES LIMITED

(formerly Max India Limited)

## POLICY FOR DISCLOSURE OF MATERIAL EVENTS AND INFORMATION

### I. PREAMBLE

As per Regulation 30 of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Disclosure Regulations”), every listed entity is required to frame a policy for determination of materiality based on criteria specified in the SEBI Disclosure Regulations. The objective to frame such policy is to determine the events and information which, in the opinion of the Board of Directors of a company, are considered material and need to be disclosed to the Stock Exchanges within the time limit as prescribed in such policy, thereby ensuring a timely and balanced disclosure of all material matters concerning such company to the investors and other stakeholders.

The equity shares of the Company (the “Equity Shares”) are listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). The Company aims to fulfill its responsibility to the Stock Exchanges and investors by identifying and disclosing material events and/or information about the Company which is designated as such as per the Applicable Laws and this Policy (“Material Event and/or Information”).

### II. DEFINITIONS AND INTERPRETATION

“Authorized Persons” shall have the meaning assigned to them in Clause IV of this Policy.

“Applicable Laws” shall mean the (i) SEBI Disclosure Regulations, (ii) Other SEBI Laws (iii) Companies Act 2013, to the extent notified and enforced, and (iv) Indian Companies Act, 1956 to the extent applicable, along with relevant rules, regulations and amendments thereto issued from time to time, as applicable.

“Board” shall mean the Board of Directors of the Company.

“CFO” or “Chief Financial Officer” shall mean the chief financial officer of the Company.

“CEO” or “Chief Executive Officer” shall mean the chief executive officer of the Company.

“KMP” shall mean the key managerial personnel of the Company, including the CEO, CFO, Company Secretary and any other personnel designated under provisions of the Companies Act.

“Material Disclosures” shall mean disclosure of Material Events and/or Information in accordance with this Policy and/or Applicable Laws.

“Other SEBI Laws” shall mean the (i) SEBI Act, 1992 (iii) Securities Contracts (Regulation) Act, 1956, (iv) Depositories Act, 1996, and any rules, regulations issued thereunder, and amendments issued thereto from time to time.

“Stock Exchanges” shall mean NSE and BSE.

In any circumstance, where the terms of this Policy differ from any Applicable Laws governing the Company, such Applicable Laws will take precedence over this Policy and the procedures there under, until such time as this Policy is modified in conformity with the Applicable Laws.

### III. PURPOSE

The purpose of this Policy is as follows:

- (i) to identify Material Events and/or Information which are required to be disclosed as Material Disclosures;
- (ii) to identify the Authorized Persons who will determine and disclose the Material Events and/or Information and the powers and authority of such Authorized Persons;
- (iii) to ensure that the Company shall make all adequate disclosures for such Material Events and/or Information to the relevant Stock Exchanges in accordance with Applicable Laws; and
- (iv) to apprise Authorized Persons of their obligations relating to systematic identification, categorization, review and disclosure of events or information, which may have a material impact on the performance or operations of the Company and which may materially affect the share price of the Company.

### IV. WHO IS COVERED UNDER THIS POLICY?

The Board has nominated the following persons (“**Authorized Persons**”) to determine the Material Event and/or Information and make Material Disclosures in respect thereof:

- (i) Managing Director and/or CEO,
- (ii) Chief Financial Officer, and
- (iii) Company Secretary.

Each of the above Authorized Persons is severally authorized to administer this Policy, determine the materiality of events or information in relation to the Company, make all relevant Material Disclosures to the Stock Exchanges and monitor compliance by the Company with the disclosure obligations provided in this Policy.

### V. WHAT IS MATERIAL EVENT AND/OR INFORMATION?

Material Event and/or Information include such events and/or Information which relate to the Company’s business, operations or the performance, and which have a significant effect on the investment decisions.

Such Material Events and/or Information include the following:

- (i) Material Events or Information to be disclosed based on the materiality principle, as are specified in **Annexure I**; and
- (ii) Material Events or Information to be disclosed without materiality principle, as are specified in **Annexure II**

### VI. GUIDELINES FOR ASSESSING MATERIALITY OF A MATERIAL EVENT AND/OR INFORMATION

The Authorized Persons shall evaluate a particular information or event in accordance with the various criteria and / or tests, specified below, to determine whether an event or information is a Material Event and/or Information, and shall accordingly make Material Disclosures as per Applicable Laws.

1. **Materiality Criteria:** Events specified in **Annexure I** of this Policy shall be deemed to be material events based on materiality criteria and the Company shall make disclosure of such events within the time frame specified in Clause VII of this Policy.

Materiality has to be defined on a case by case basis depending on the specific facts and circumstances relating to the information or event. In order to determine whether a particular event or information is material in nature, the Authorized Persons will consider the “quantitative” or “qualitative” criteria mentioned below.

2. **Qualitative Criteria:** The Authorized Persons shall consider the following criteria for determination of Material Events and/or Information, especially for the contents of **Annexure II**, if, by omitting an event and/or information, the following may result or occur:
  - Discontinuity or alteration of an event or information already available publicly; or
  - Significant market reaction is likely to be generated if such omission came to light at a later date; or
  - such event or information is considered to be material by the Board and is required to be disclosed.
  
3. **Quantitative Criteria:**
  - 3.1 Where the event or information pertains to a matter which may have an impact on the Company's net worth, as a result of such event or information, by 10% or more;
  
  - 3.2 Where the event or information pertains to a matter which may cause the Company's turnover to move, as a result of the event or information, by 10% or more;
  
  - 3.3 Where the event or information pertains to a matter which may cause the assets of the Company, amounting to 10% or more of such assets, to be deployed into an avenue other than the one where they are currently deployed.

The above threshold limits mentioned in Clause 3.1, 3.2 and 3.3 will be determined on the basis of audited consolidated financial statements of the Company for the last audited financial year. However, if the Company has not prepared consolidated financial statements in the last financial year owing to non-applicability of such requirement in terms of the Act, the said threshold may be determined on the basis of standalone financial statements.

Notwithstanding the above, the Board / Authorized Persons may categorize an event and/or information as Material Events and/or Information, if it is considered that such event or information is required to be disclosed.

## **VII. WHEN WILL THE DISCLOSURES BE MADE?**

**Disclosures within Specified Time:** The Authorized Persons shall make all Material Disclosures within the time specified as per Applicable Laws.

**Disclosures within 24 Hours:** The Authorized Persons shall make Material Disclosures of all Material Events and/or Information listed in **Annexure I** without delay, within 24 hours of the occurrence of such Material Event and/or Information. In the event there is any delay in making any such Material Disclosures, the Authorized Persons shall provide adequate reasons and explanation for the occurrence of such delay along with the Material Disclosures.

**Disclosures within 30 minutes from the closure of the meeting of the Board:** The Authorized Persons shall disclose the outcome of the meetings of the Board held to consider the transactions mentioned in point number 4 of **Annexure II** within 30 minutes from the closure of the meeting of the Board.

**Updates on Material Developments:** The Company shall make Material Disclosures, along with relevant explanations, for updating material developments in respect of the Material Events and/or Information on a regular basis, till such time the Material Event and/or Information is resolved/ closed.

## VIII. WHERE WILL THE MATERIAL DISCLOSURES BE MADE?

The Authorized Persons shall make the Material Disclosures on the Stock Exchanges, and on the Company Website, for such duration, as is prescribed under the Applicable Laws.

In the event the Applicable Laws require that Material Disclosures shall be made at any other authority or locations, the Company shall make Material Disclosures at such locations and/or authorities as per Applicable Laws.

## IX. WHAT IS THE AUTHORITY OF THE AUTHORISED PERSONS?

The Authorized Persons shall have the following powers and responsibilities:

- (i) Continuously identify, assess and review Material Events and/or Information on the basis of facts and circumstances in accordance with this Policy and Applicable Laws;
- (ii) Periodically determine the appropriate time to make Material Disclosures to the Stock Exchanges upon Identification of a Material Event and/or Material Information;
- (iii) Make Material Disclosures and provide relevant material developments, or explanations in respect of a Material Event and/or Material Disclosure to the Stock Exchanges till such time as the development is resolved/closed; and
- (iv) Evaluate such other events or information (other than the Material Event and/or Material Information) which requires disclosure.

## X. GUIDELINES TO THE AUTHORIZED PERSONS

The Authorized Persons shall adhere to the following guidelines and principles for determining the Material Events and/or Information prior to making the Material Disclosures:

- (i) **Adequacy and Timeliness:** Make adequate, accurate, explicit, and timely Material Disclosures, as prescribed in this Policy and Applicable Laws from time to time.
- (ii) **Adherence to Applicable Laws:** The Company shall abide by Applicable Laws and such other guidelines as may be issued from time to time by the Board and the Stock Exchanges in this regard and to the extent applicable to the Company.
- (iii) **Fairness:** Ensure fairness and make wide dissemination of relevant information avoiding selective disclosure.
- (iv) **Transparency:** Provide and make Material Disclosures of all material information for determining the Material Events and/or Information with sufficient details that foster investors' confidence. Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by investors.
- (v) **Accounting Information:** Accounting related information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure. The Company shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted by an independent, competent and qualified auditor.
- (vi) **Relevant Information:** Filings, reports, statements, documents and information which are event based or are filed periodically shall contain relevant information, having due regard to the nature of filing and information that shall enable investors to track the Company performance at any point of time and over regular intervals of time.
- (vii) **Confidentiality:** Adhere to the provisions in Section XI of this Policy while making Material Disclosures.

- (viii) **Ascertain 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 such relevant persons who may have the reasonable and required means to handle such information.
- (ix) **Materiality:** Ensure that all material information is made generally available to the investors / stakeholders.
- (x) **True Disclosures:** Ensure and be reasonably satisfied that no misleading, untrue or misrepresentation of any information is being referenced in while making the Material Disclosures. The Company shall refrain from misrepresentation and ensure that the information provided to the Stock Exchange(s) and investors / stakeholders is not misleading.
- (xi) **Expert Opinion.** If any part of the disclosure includes quotes from a report statement or opinion made by an expert, the same should be clearly provided for making such disclosure. Furthermore, it should be ensured that written consent of the expert to the use of the report statement or opinion in the disclosure has been obtained.
- (xii) **Continuous Disclosures** The Company will, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved or closed, with relevant explanations.

## **XI. CONFIDENTIALITY**

If the Board and/or the Authorized Persons are of the view that (a) an announcement is detrimental to the Company's interest, and (b) that maintaining the confidentiality of price sensitive information having regard to the disclosure obligations under this Policy is required, it may determine the period for which the confidentiality shall be maintained and may issue appropriate directions to ensure that the following are maintained:

- (i) all the connected persons who are aware of such information, know that it is confidential and they are obligated to keep the material facts confidential.
- (ii) there is no selective disclosure of confidential material information to third parties.
- (iii) no one with the knowledge of material information has traded in the securities of the Company and in the securities of any other company affected by the material information and shall cause connected persons to refrain from the trading in the securities till the information is made public.

## **XII. ASSESSMENT AND AMENDING POLICY**

The Company shall review this Policy periodically, in accordance with Applicable Laws, and may amend the same from time to time, if required.

## **XIII. QUERIES AND CLARIFICATIONS**

Any queries or clarifications in relation to this Policy may be addressed to the Company Secretary of the Company.

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## ANNEXURE I

### **MATERIAL EVENTS OR INFORMATION TO BE DISCLOSED ON THE MATERIALITY PRINCIPLE (AS PER SEBI DISCLOSURE REGULATIONS)**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
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).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements viz. loan agreements (as a borrower) or any other agreements which are binding and not in normal course of business and revisions or amendments or terminations thereof.
6. Disruption of operations of any one or more units or divisions of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effects arising out of change in the regulatory framework applicable to the listed entity.
8. Litigations / disputes / regulatory actions with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. 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.

## ANNEXURE II

### **MATERIAL EVENTS OR INFORMATION TO BE DISCLOSED WITHOUT THE MATERIALITY PRINCIPLE (AS PER SEBI DISCLOSURE REGULATIONS)**

1. Acquisition (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 Company or any other 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 Company 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 clause (ii)(a) of 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. Outcome of Meetings of the board of directors to be disclosed to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
  - (i) 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;
  - (ii) any cancellation of dividend with reasons thereof;
  - (iii) the decision on buyback of securities;
  - (iv) the decision with respect to fund raising proposed to be undertaken;
  - (v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - (vi) 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;
  - (vii) short particulars of any other alterations of capital, including calls;
  - (viii) financial results;
  - (ix) decision on voluntary delisting by the Company 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 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.
6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7. Change in directors, KMP, Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
11. Reference to BIFR and winding-up petition filed by any party /creditors.
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.
13. Proceedings of Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

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