

**SMC GLOBAL SECURITIES LIMITED**  
**Policy for determining Materiality for Disclosures**  
**[Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

- **INTRODUCTION**

In accordance with Regulation 30 of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) read with SEBI Circular no. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015 the Board of Directors of SMC Global Securities Limited has adopted this Policy for determining materiality of events and information at its meeting held on [o].

The Policy is aimed at providing guidelines to the management, to determine the materiality of events or information and promptly disseminate the information to the Stock Exchanges.

All the words and expressions used in this Policy, unless defined hereafter shall have the same meaning as assigned to them in the Listing Regulations and the Companies Act, 2013 and the Rules framed thereunder or any other applicable laws, Rules, Regulations.

- **SCOPE AND APPLICABILITY OF POLICY**

This Policy is applicable to all disclosures and communication of material events or information by the Company, which in the opinion of the Board of Directors of the Company or any other delegated authority, is material for the Company. The applicability of the policy extends to cover disclosure of material events occurring in the Company and that in its subsidiary companies.

This Policy shall at all times, be read together with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company. The procedure mentioned in the Code shall be complied with for timely disclosure and dissemination of Unpublished Price Sensitive Information.

- **DISCLOSURE OF MATERIAL EVENTS OR INFORMATION**

In terms of Regulation 30 of the Listing Regulations, the events requiring disclosure by the Company, are provided as follows:

- Events or information mentioned in Para A of Part A of Schedule III of the Listing Regulations and as highlighted in Annexure A in this Policy shall be ***deemed to be material*** and shall be disclosed by the Company promptly on occurrence but not

later than 24 hours, except for information pertaining to outcome of Board Meetings.

- Disclosure of events or information related to outcome of Board Meetings as mentioned in sub-para 4 of Para A of Part A of Schedule III of the Listing Regulation and as highlighted in Annexure B in this Policy shall be **deemed to be material** and shall be disclosed by the Company within 30 minutes of closure if the Board Meeting.
- Events specified in Para B of Part A of Schedule III of the Listing Regulations and as highlighted in Annexure C in this Policy shall be disclosed by the Authorised Key Managerial Personnel ('Authorised KMPs') after applying the materiality test.

Nevertheless, the Policy broadly covers all or any such event or information which may not be mentioned in Para A or Para B of Part A of Schedule III of the Listing Regulations but may have a material effect on the Company.

- **CRITERIA FOR DETERMINING MATERIALITY OF AN EVENT**

The criteria for determination of materiality of any event or information shall be based on both qualitative and quantitative criteria, which is outlined in this Policy. The Authorised KMPs may use any one or both of the criteria to determine the materiality of any event or information.

**A. Qualitative Analysis**

Determination of materiality shall be analysed on case to case basis by the qualitative judgement of the Authorised KMPs. The following criteria shall be applicable for determination of materiality of event or 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;
- (c) Situations where the Board of Directors is of the opinion that the event or information should be treated as material for the Company.

**B. Quantitative Analysis**

Annexure B of the Policy provides a list of events and information mentioned in Para B of Part A of Schedule III of Listing Regulations along with the materiality thresholds for each such event/information as determined by the Board of Directors. These thresholds shall act as a referencer to the Authorised KMPs to determine whether a particular event or information is material for the Company or not.

The manner of determination of materiality of events outlined above is indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized KMP should exercise his/her own judgement while assessing the materiality of events associated with the Company.

- **GUIDANCE ON WHEN AN EVENT/INFORMATION SHALL BE SAID TO HAVE OCCURRED**

The timing of occurrence of an event and/or availability of information has to be decided on case to case basis by the Authorised KMP. However, the following can act as a basis for determination of when an event or information can deemed to have occurred:

- a) **Events or Information which requires discussion, negotiation or approval of Board of Directors-** Such events or information can be said to have occurred upon approval of the Board and where any event requires approval of both Board of Directors and Shareholders, it can be said to have occurred after the approval of Shareholders.
- b) **Events or Information which can be price sensitive to the Company-** Such information can be said to have occurred after approval of the Board of Directors and pending Shareholder's approval.
- c) **Events such as natural calamities/disruption etc-** Such information can be said to have occurred when the officers of the Company become aware of such information.

- **AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION**

The following Key Managerial Personnel shall be severally authorised by the Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges:

1. Chief Executive Officer; and
2. Chief Financial Officer;

The Authorised Key Managerial Personnel shall in case of any doubt, call a meeting (including by way of a telephone call) of the Board of Directors to decide on the materiality of any event or information.

The Key Managerial Personnel, authorized for the purpose, will be responsible for administering this Policy, determining the materiality of events or information in relation to the Company and monitoring compliance by the Company with disclosure obligations applicable to it.

The contact details of the Key Managerial Personnel, so authorized, will be disclosed to the Stock Exchanges and will be placed on the website of the Company.

- **AMENDMENTS/MODIFICATIONS**

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the existing law, then the provisions of the amended law shall prevail over the Policy and the provisions of the Policy shall be duly modified by the Board of Directors to make it consistent with the existing law.

- **DISCLOSURE OF THE POLICY**

This Policy shall be disclosed on the website of the Company.

Also, all such events or information which has been disclosed to Stock Exchange(s) under this Policy shall also be disseminated on the website of the Company for a minimum period of five years and thereafter the same shall be treated as per the Company's Policy for Preservation of Documents and Archival.

## ANNEXURE A

### **A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):**

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 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 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.

7. 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.
8. Resignation of auditor 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:
  - a) Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
  - b) The independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
  - c) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.]
9. Appointment or discontinuation of share transfer agent.
10. Corporate debt restructuring.
11. One-time settlement with a bank.
12. Reference to BIFR and winding-up petition filed by any party / creditors.
13. 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.
14. Proceedings of Annual and extraordinary general meetings of the listed entity.
15. Amendments to memorandum and articles of association of listed entity, in brief
16. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;
17. 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 the 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/Reappointment of 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;
- k. Approval of resolution plan by the Tribunal or rejection, if applicable;
- l. 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 off;
  - 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 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
- m. Any other material information not involving commercial secrets;
- n. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o. Quarterly disclosure of the status of achieving the MPS;
- p. The details as to the delisting plans, if any approved in the resolution plan

18. 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:
- 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

**ANNEXURE B**

**Outcome of Meetings of the board of directors**

The Company shall disclose to the Exchange(s), 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 exchange(s).

**ANNEXURE C**

<b><u>Sl. No.</u></b>	<b><u>Particulars</u></b>	<b><u>Materiality Thresholds</u></b>
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 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.	
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.	
7.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	
8.	Litigation(s) / dispute(s) / regulatory action(s) 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.	<i>Not applicable as the Company does not have any ESOP/ESPS scheme</i>
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.	
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C. 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.