



**POLICY ON DETERMINATION OF MATERIALITY**

**OF**

**PNB HOUSING FINANCE LIMITED**



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## Summary of Version History

<b>Policy approved by</b>	Board of Directors
<b>Policy drafted by</b>	CFO and CS
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## POLICY ON DETERMINATION OF MATERIALITY

*(Pursuant to Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

### I. PREAMBLE

This Policy shall be called as “**Policy on Determination of Materiality of Events or Information**” (hereinafter referred to as “**Policy**”) of PNB Housing Finance Limited (“**Company**”).

In terms of Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI LODR Regulations**”), every listed company is required to frame a policy for determining the materiality, based on criteria specified in Regulation 30(4), duly approved by its Board, which is to be disclosed on the website of the Company.

### II. OBJECTIVE OF POLICY

Pursuant to Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby adopt this Policy for determination of materiality of events or information. The purpose of this Policy is to determine the materiality of the events and information as per the criteria elucidated below for making necessary disclosures to the Stock Exchange(s) under Regulation 30 of the SEBI LODR Regulations.

### III. DEFINITIONS

- (i) “**Act**” means the Companies Act, 2013, including any amendments thereto.
- (ii) “**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.
- (iii) “**Compliance Officer**” shall mean the Company Secretary of the Company;
- (iv) “**Key Managerial Personnel**” as defined under Companies Act, 2013 means:
  - a. the Chief Executive Officer or the Managing Director or the Manager (as defined under Companies Act, 2013);
  - b. Whole- time directors(s);
  - c. Chief Financial Officer;
  - d. Company Secretary;
  - e. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - f. such other Officer as may be prescribed
- (v) “**SEBI**” shall mean the Securities and Exchange Board of India;
- (vi) “**Specified Securities**” shall have the meaning ascribed in Regulation 2(1)(zi) of the SEBI Listing Regulations;
- (vii) “**Stock Exchange(s)**” shall mean the National Stock Exchange of India Limited and the BSE Limited;

Unless the contrary is apparent from context, words and expressions not defined herein shall have the meaning ascribed to them under the SEBI LODR Regulations, the SEBI Act, 1992, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Securities Contracts (Regulation) Act, 1956 or any other cognate statute.

## IV. MATERIAL EVENTS OR INFORMATIONS

### A. Deemed material events or information:

The following events, as specified in Paragraph (A) of Part A of Schedule III of the SEBI LODR Regulations, shall be deemed to be material events and shall be disclosed to the Stock Exchanges without any application of the guidelines for materiality:

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 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 5 (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 2 (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 the meetings of the Board: The Company shall disclose to the Stock Exchanges, 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 the Company or arrest of key managerial personnel or promoters of the Company.
7. Change in directors, KMP, Auditor and Compliance Officer.

- a) If the auditor of the Company gives his resignation, Company shall disclose to the stock exchanges the reasons of such resignation as soon as possible but not later than 24 hours of receipt of such reasons from the auditor.
  - b) If the independent director of the Company give his resignation, company shall give following disclosures to the stock exchanges within 7 days from the date of resignation:
    - i. Detailed reasons for the resignation of the independent director as given by the said director and
    - ii. Confirmation by the independent director that there is no other material reasons other than those provided.
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 Members of the Company.
  14. Amendments to Memorandum and Articles of Association of Company, in brief.
  15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
  16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
    - i. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
    - ii. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
    - iii. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
    - iv. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
    - v. 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;
    - vi. Appointment/ Replacement of the Resolution Professional;
    - vii. Prior or post-facto intimation of the meetings of Committee of Creditors;
    - viii. 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;
    - ix. Number of resolution plans received by Resolution Professional;
    - x. Filing of resolution plan with the Tribunal;
    - xi. Approval of resolution plan by the Tribunal or rejection, if applicable;
    - xii. Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
    - xiii. Any other material information not involving commercial secrets.

The above events shall be disclosed in accordance with the extant SEBI LODR Regulations or guidelines issued thereunder, including any amendments thereto.

**B. The following events shall be considered material subject to the application of the guidelines for materiality:**

- i. Commencement or any postponement in the date of the commencement of commercial production or commercial operation of any unit/division.
- ii. 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 branch.
- iii. Capacity addition or product launch.
- iv. Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business and revision(s) or amendment(s) or termination(s) thereof.
- v. 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.
- vi. Disruption of operations of any one or more branches of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or other events.
- vii. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- viii. Litigation(s)/ dispute(s)/ regulatory action(s) with impact.
- ix. Fraud/defaults etc. by directors (other than KMPs) or employees of Company to the extent the Company is aware or made aware of.
- x. Options to purchase securities including any ESOP/ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety for any third party and
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

**C. The events mentioned in clause (B) above shall be considered material only on application of the following guidelines**

- i. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- 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; or
- iii. In case where the criteria specified in above sub-clauses (i) and (ii) are not applicable, an event/information may be treated as being material if in the opinion of the Board, the event/ information is considered material.

**D. Any other event / information that is likely to impact the Business**

- i. Emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc.
- ii. Any other information which is exclusively known to the Company 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.

- iii. Any other event which in the view of the Board of directors or KMP of the Company is material.

Without prejudice to the generality of para (A), (B), (C) and (D) above, the Company may make disclosures of event/information as specified by the Board from time to time.

## **V. AUTHORITY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION**

The following personnel are authorized by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges:

- i. Managing Director & CEO
- ii. Chief Financial Officer; and
- iii. Compliance Officer.

Unless otherwise decided by the Board, materiality of an event or information for making disclosure to the stock exchange shall be determined severally by Managing Director & CEO or jointly with CFO/Compliance Officer of the Company.

The Compliance Officer or any other person authorized by the Board shall be responsible for making disclosures to the Stock Exchanges. The contact details of the Compliance Officer or any other person authorized by the Board shall be made available to the Stock Exchanges and shall also be made available on the website of the Company. The Authorized Personnel will ascertain the materiality of the event or information based on the SEBI LODR Regulations and this Policy.

## **VI. DISCLOSURE**

The Company shall observe the following for proper and timely disclosure of any material events/ information as defined hereon:

- i. For determining materiality of any event/transaction, reference is to be made to this Policy and the SEBI LODR Regulations.
- ii. Disclosure of the events enumerated in Clause 4(A)(4) above shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed along with the time of commencement and conclusion of the meeting.
- iii. All other events mentioned under Clause 4(A), other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.

However, in case the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for the delay.

- iv. The details with regard to any fraud/ default by Directors or KMP or by the Company or arrest of any KMP shall be disclosed at the time of unearthing of the fraud or occurrence of default/ arrest. The stock exchange(s) shall also be intimated further details regarding the same including actual amount of fraud/ default, actual impact of such fraud/ default on the Company and its financials and corrective measures taken thereon.
- v. Disclosure of any material development with relevant explanations shall be made on a regular basis of any event, till the time the event is resolved/ closed.



- vi. All the disclosures made to the stock exchanges under this Policy shall also be placed on the Company's website and the same shall be available for a minimum period of five years and thereafter as per the web archival policy of the Company.
- vii. The Company shall also disclose all the events or information with respect to its subsidiaries which are material for the Company.
- viii. The disclosures given under Clause 4(A) and 4(B) shall be made in accordance to SEBI Circular dated September 9, 2015 or any statutory modification/amendment thereof.

## **VII. AUTHORITY AND AMENDMENTS TO THE POLICY**

The Board of Director is authorized to make such alterations to this Policy as considered appropriate, subject however, to the condition that such alterations shall not be inconsistent with the provisions of the SEBI LODR Regulations or any other law for the time being in force.

This Policy will be reviewed and updated annually or at earlier intervals as deemed necessary. Consequent upon any change in the SEBI LODR Regulations or any other applicable law/ regulatory guidelines, if any, such change to the extent applicable to the Company, shall be deemed to be a part of this Policy until this Policy is reviewed and approved.

## **VIII. INTERPRETATION**

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act, rules made thereunder, and the SEBI LODR Regulations.

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this Policy is amended to conform to the law, rule, regulation or standard.

In the event of any conflict between the provisions of this Policy and the Act or the SEBI LODR Regulations or any other statutory enactments or rules, the provisions of the SEBI LODR Regulations / the Act or statutory enactments, rules made thereunder shall prevail over to this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

## **IX. DISSEMINATION OF THE POLICY**

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