



**CREDITACCESS GRAMEEN LIMITED**

**POLICY ON DETERMINATION OF MATERIALITY**

## Revision History

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<b>Version</b>	<b>Author</b>	<b>Description of Changes</b>	<b>Release Date</b>
1.	Chief Compliance Officer	First version	December 01, 2017
2.	Chief Compliance Officer	Re adoption	March 23, 2022
3.	Chief Compliance Officer	Aligned with SEBI (LODR) (Second Amendment) Regulations, 2023	July 21, 2023
3.	Chief Compliance Officer	Re-adoption	April 01, 2024

<b>Version</b>	<b>Author</b>	<b>Reviewed By</b>	<b>Approved By</b>
1.	Chief Compliance Officer	MD & CEO	Board of Directors
2.	Chief Compliance Officer	MD & CEO	Board of Directors
3.	Chief Compliance Officer	MD & CEO	Board of Directors
3.	Chief Compliance Officer	MD	Board of Directors

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## **1. SCOPE AND PURPOSE**

The Securities Exchange Board of India (SEBI) on September 2, 2015, has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Regulation 30 read with Schedule III of Listing Regulations requires the Company to frame and adopt a policy to determine the material events by testing the materiality for the purpose of proper, sufficient and timely disclosure of the same to the stock exchanges.

Accordingly, this Policy on Determination of Materiality has been approved and adopted by the Board of Directors of the Company at its meeting held on December 01, 2017.

## **2. APPLICABILITY**

This Policy shall be applicable to all events relating to the Company, as and when they come under the criteria elucidated below.

This Policy shall be read together with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company to lay down the procedures and practical guidelines that would be followed by the Company for consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive information.

## **3. OBJECTIVE OF THE POLICY**

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the listing regulations post the listing of its equity shares
- b. To ensure that the information disclosed by the Company is timely and transparent.
- c. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- d. To protect the confidentiality of Material / Price sensitive information within the framework of the
- e. Company's disclosure obligations.
- f. To provide a charter that supports and fosters confidence in the quality and integrity of information released by the Company.
- g. To ensure uniformity in the Company's approach to disclosures, increase awareness and reduce the risk of selective disclosures.

#### **4. DEFINITIONS**

- a. "Compliance Officer" shall mean the Company Secretary of the Company;
- b. "Listing Regulations" shall mean SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time.
- c. "Market Sensitive Information" shall mean information concerning the Company's business, operations or performance which has a significant effect on securities investment decisions or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally.
- d. "Social media intermediaries" shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, as amended from time to time.

#### **5. KEY PRINCIPLES IN DETERMINING MATERIALITY OF AN EVENT OR INFORMATION:**

Pursuant to the applicable provisions of the Listing Regulations, as amended from time to time, the Company shall consider the following 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:
  - i. two percent of turnover, as per the last audited consolidated financial statements of the Company;
  - ii. two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
  - iii. 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 Company.
- d) In case where the criteria specified in sub-clauses (a), (b) and (c) above is not applicable, then any event or information may be treated as material if in the opinion of the Board of Directors of the Company, the event or information is considered material.

**A. EVENTS WHICH SHALL BE DEEMED MATERIAL:**

1. Acquisition(s), Scheme of Arrangement (amalgamation/ merger/ demerger/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 redemption of securities etc.;
3. New Rating(s) or Revision in rating(s);
4. Outcome of Board Meetings of the Company held to consider those matters as may be specified under the Listing Regulations, from time to time.
5. Agreements [viz. shareholder agreement(s), joint venture agreement(s), (to the extent that it impacts management and control of the Company), agreement(s)/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. 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, otherwise in the normal course of business, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, whether or not the Company is a party to such agreements.
7. Fraud/defaults by the Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad.
8. Change in Directors, KMPs, Senior Management, Statutory Auditors and Compliance Officer of the Company.
9. In case the Managing Director or Chief Executive Officer of the Company is 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.
10. Appointment or discontinuation of share transfer agent.
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 Company.
12. Proceedings of Annual and extraordinary general meetings of the Members of the Company.
13. Amendments to Memorandum and Articles of Association of Company, in brief; and
14. Schedule of analysts or institutional investors meet.
15. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, KMPs or senior management of the Company, in relation to any event or information which is material for the Company in terms of Listing Regulations and is not already made available in the public domain by the Company.
16. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, KMPs, senior management, promoter or subsidiary, in

relation to the Company in respect of such matters as may be specified under the Listing Regulations, from time to time.

17. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, KMPs, senior management, promoter or subsidiary, in relation to the Company in respect of such matters as may be specified under the Listing Regulations, from time to time.
18. Voluntary revision of financial statements or the report of the board of directors of the Company under Section 131 of the Companies Act, 2013.
19. Such other matters as may be considered by the Company as material under the Listing Regulations from time to time.

The above events shall be disclosed in accordance with the extant Regulations 2015 or guidelines issued thereunder, including any amendments thereto.

**B. THE FOLLOWING EVENTS SHALL BE CONSIDERED MATERIAL SUBJECT TO THE APPLICATION OF THE GUIDELINES MENTIONED IN CLAUSE (C)**

1. Change in the general character or nature of business brought about by arrangements for strategic, technical, or marketing tie-up, adoption of new lines of business
2. Change in lending rates.
3. arrangements for strategic, technical, manufacturing, or marketing tie-up or adoption of new line(s) of business or closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).
4. Capacity addition or product launch.
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 branches of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or other events;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Pendency of any litigation(s)/ dispute(s)/ regulatory action(s) which may have an impact on the Company;
9. Fraud/defaults etc. by employees of the Company which has or may have an impact on the Company.
10. Options to purchase securities including any ESOP Scheme;
11. Giving of guarantees or indemnity or becoming a surety, by whatever name 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.
14. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
15. Frauds or defaults by employees of the Company which has or may have an impact on the Company.
16. 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 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.

17. Apart from the above, the Company may make necessary disclosures of events / information as specified under the Listing Regulations or required by SEBI, from time to time.

## **6. ADMINISTRATIVE MEASURES**

- a. Unless otherwise decided by the Board, any two KMPs acting jointly shall be authorized for the purpose of determining materiality of an event or information and making disclosures to the stock exchanges. Any decision taken by them shall be valid and binding on the Company.
- b. The contact details of all the KMPs shall be disclosed to the stock exchange and also be placed on the Company's website.
- c. The KMPs shall take into consideration the factors surrounding the particular information to take a view on whether the information is market sensitive or not. The KMPs are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- d. The KMPs shall have the following powers and responsibilities for determining and disclosure of material events or information:
  - (i) To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
  - (ii) To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
  - (iii) To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.
  - (iv) To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
  - (v) To provide necessary instructions to the concerned departments for framing relevant internal guidelines, processes and methodologies to assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized KMPs for determining the materiality of the said event or information.

The Company Secretary shall act as the coordinator and liaising officer for dissemination of material events/information to the Stock Exchanges.

## **7. INTERPRETATION**

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard (collectively referred to as "regulatory requirements") governing the Company, the regulatory requirements will take precedence over this policy until such time it is amended to align with



the same.

## **8. GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO BE OCCURRED**

- a. The events/information shall be said to have occurred upon approval by the Board e.g. further issue of capital by rights issuance and in certain events/information after approval of both i.e. Board and shareholders that is to say, after the approval of the shareholders of the Company.
- b. The events/ information that may be of price sensitive nature such as declaration of dividends etc., on receipt of approval of the event by the Board, pending Shareholder's approval.
- c. In the events/information such as natural calamities, disruption etc. can be said to have occurred when the Company becomes aware of the events/information.

## **9. DISCLOSURE**

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than:

- a) 30 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.
- b) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company.
- c) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company

Further, the Company shall periodically make disclosure of any material developments of any event / information which is already disclosed to the stock exchanges, till the time the event is resolved / closed. 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. The Company shall also disclose all the events or information with respect to its subsidiaries which are material for the Company.

## **10. AUTHORITY TO MAKE ALTERATIONS**

The Board of Directors of the Company is authorized to make such alterations to this Policy as and when considered appropriate, however, subject to the condition that such alterations shall not be inconsistent with the provisions of the Regulations.