



## **REGENCY FINCORP LIMITED**

**Registered Office Address: Unit No. 57-58, 4th Floor, Sushma Infinium Chandigarh-  
Ambala Highway, Zirakpur, Mohali, Zirakpur, Punjab, India, 140603**

### **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

## 1. PREAMBLE:

- 1.1 This Policy (hereinafter referred to as '**Policy**') shall be called 'Policy for Determination of Materiality of Events or Information' of Regency Fincorp Limited ('**The Company**').
- 1.2 In terms of Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('**SEBI Listing Regulations**'), every Company which has listed its 'Specified Securities' (*as defined below*) is required to frame a Policy for determining the materiality based on criteria specified in Regulation 30(4) and Regulation 30A of SEBI Listing Obligations.

## 2. OBJECTIVES:

The Policy aims to attain the following objectives:

- a) To specify the parameters/ criteria for determination of material events or information as specified in Para B of Part A of Schedule III of the SEBI Listing Regulations, in relation to the Company;
- b) Assistance to the employees of the Company for identifying potential material events/ information in an objective manner and mechanism for dealing with such event or information; and
- c) To ensure that the information disclosed by the Company is adequate, accurate, timely and transparent.

## 3. DEFINITIONS:

'**Act**' means the Companies Act, 2013, including any amendments thereto and any rules, regulations, notifications and clarifications issued thereunder.

'**Board**' shall mean the Board of Directors of the Company, as constituted from time to time.

'**Compliance Officer**' shall mean the Company Secretary of the Company.

'**Chief Financial Officer**' shall mean the person heading and discharging the finance function of the listed entity as disclosed by it to the recognised stock exchange(s) in its filing under the SEBI Listing Regulations.

'**Key Managerial Personnel**' or '**KMP**' means Chief Executive Officer and Whole-time

Director(s), Managing Director, Chief Financial Officer, and Company Secretary of the Company.

**‘Mainstream Media’** shall include print or electronic mode of the following:

- i. Newspapers registered with the Registrar of Newspapers for India;
- ii. News channels permitted by Ministry of Information and Broadcasting under Government of India;
- iii. Contents published by a publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
- iv. Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India.

**‘Promoter’ and ‘Promoter Group’** shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

**‘Senior Management’** means such personnel as defined under Regulation 16(1)(d) of the SEBI Listing Regulations.

**‘Specified Securities’** shall have the meaning ascribed to the term in Regulation 2(1)(zl) of the SEBI Listing Regulations;

**‘SEBI’** shall mean the Securities and Exchange Board of India;

**‘Social media intermediaries’** shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

**‘Stock Exchanges’** shall mean the BSE Limited (BSE);

All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and if not defined therein, then as per the Companies Act, 2013 or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 and/ or any other Rules and/ or Regulations made thereunder, or any other Act and/ or applicable laws (including modifications thereto), as the case may be.

#### **4. DISCLOSURE OF MATERIAL EVENTS OR INFORMATION:**

##### **4.1 Criteria for determining material events or information:**

- A.** Events and/ or information specified in Para A of Part A of Schedule III of SEBI Listing Regulations are deemed to be material events and need to be disclosed to Stock Exchanges without applying the materiality specified in Clause 4.1B of this Policy.
- B.** Events and/ or information specified in Para B of Part A of Schedule III of the SEBI Listing Regulations need to be disclosed to the Stock Exchanges if such events and/or information are material based on the following materiality criteria:
  - (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) the omission, whose value or the expected impact in terms of value, exceeds the lower of the following:
    - i. 2 (two) percent of turnover, as per the last audited consolidated financial statements of the Company;
    - ii. 2 (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. 5 (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 are not applicable, event or information may be treated as being material if in the opinion of the Board such event or information is considered material.

##### **4.2 Timelines for disclosure**

All events or information that are material in terms of the provisions of the SEBI Listing Regulations and this Policy are required to be disclosed by the Company to Stock Exchanges as soon as reasonably possible and, in any case, not later than the following:

- (i) 30 (thirty) minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information has been taken;

- (ii) 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company; and
- (iii) 24 (twenty four) hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of SEBI Listing Regulations are required to be made within such timelines.

- 4.3 In case an event or information is required to be disclosed by the Company in terms of this Policy or SEBI Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.
- 4.4 The Company shall, with respect to disclosures referred to in this Policy, make disclosures to the Stock Exchanges updating material developments on a regular basis, till such time the event is resolved/ closed, with relevant explanations.
- 4.5 The Company shall provide a specific and adequate reply to all queries raised by the Stock Exchange(s) with respect to any events or information.
- 4.6 The Company shall disclose all events or information with respect to the subsidiaries which are material for the Company.

## **5. GUIDELINES FOR ASSESSING MATERIALITY AND REPORTING OF CERTAIN EVENTS:**

- 5.1 The following events shall be disclosed by the Company only upon meeting the threshold specified in Clause 4.1.B above.
  - a) Imposition of fines/ penalty

b) Settlement of Proceedings

by any regulatory, statutory, enforcement authority or judicial body.

- 5.2 Intimation to the stock exchange regarding actions initiated by any regulatory, statutory, enforcement authority or judicial body against any Director, Key Managerial Personnel, Senior Management, Promoter or Subsidiary of the Company as envisaged under Para A of Part A of Schedule III of SEBI Listing Regulations, shall only be reported on fulfillment of following conditions:
- a) Such action is in relation to the Company being the listed entity; and
  - b) The impact/ probable impact of such action is likely to exceed the materiality threshold as mentioned in Clause 4.1.B, above.
- 5.3 Intimation to the Stock Exchanges w.r.t Resignation of Senior Management will be made post acceptance of such resignation by the management.
- 5.4 This is clarified that Show-Cause Notice, if any, issued to the Company shall not be considered within the scope of Action Taken and associated disclosure requirements as referred under Clause 20 of Para A of Part A of Schedule – III.

**6. AUTHORITY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION:**

- 6.1 The Board (including any Committee thereof) authorise, the personnel holding the following position (from time to time), for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges:
- (a) Managing Director;
  - (b) Compliance Officer;

The authorised personnel, as mentioned above are also empowered to seek appropriate counsel or guidance, as and when necessary and deemed fit and would be responsible for the following.

- a) To review and assess an event or information that may qualify as 'material' and may require disclosure based on prevailing facts and circumstances;
- b) 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 and its possible impact;

- c) To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/ closed.
  - d) To disclose such other events or information that are not indicated in Para A or Para B of Part A of Schedule III, but which may have material effect on the Company.
  - e) To disclose any other event/ information which is exclusively known to the Company which may be necessary to enable the holders of the securities to apprise its position and to avoid the establishment of false market in such securities.
- 6.2 The Compliance Officer shall be responsible for making disclosures to the Stock Exchanges. However, in case of absence of the Compliance Officer, the disclosure to the Stock Exchange can be made by any other Key Managerial personnel.

## **7. IMPLEMENTATION:**

- 7.1 This Policy shall be circulated to all the Functional Heads to assess the information prevailing with them as material events/ information;
- 7.2 On becoming aware of any potential event and/or information that may be considered material in terms of this Policy, the concerned business unit/ functional head/ concerned employee, shall promptly share the same along with relevant supporting data/ information with the Compliance Officer to facilitate the prompt and appropriate disclosure to the Stock Exchange;
- 7.3 Based on the above information, the Authorised Personnel shall determine the materiality of such event/ information in conformity of this Policy and intimate the same to the Compliance Officer; and
- 7.4 On receipt of information in clause above, the Compliance Officer shall intimate to the stock exchanges within the timelines prescribed in SEBI Listing Regulations.

**8. AUTHORITY AND AMENDMENTS TO THE POLICY:**

- 8.1 The Board is authorized to undertake all the incidental and consequential changes/ amendments pursuant to any amendments in the SEBI Listing Regulations and guidelines/ circulars issued by SEBI in this regard from time to time.
- 8.2 The Board, may, subject to applicable laws, amend, alter, modify, substitute any of the provision(s) with a new provision(s) or replace this Policy entirely with a new policy from time to time based on the requirements as prescribed under the SEBI Listing Regulations.

**9. SCOPE AND LIMITATION:**

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

**10. DISEMINATION OF INFORMATION UNDER THE POLICY:**

The Company shall disclose all such material events or information which has been disclosed to the Stock Exchanges pursuant to the SEBI Listing Regulations and this Policy on its website and such disclosures shall be hosted on the website of the Company for a minimum of 5 (five) years and thereafter shall be preserved as per the archival policy of the Company.