



POLICY ON DETERMINATION OF MATERIALITY
OF EVENTS/INFORMATION



I. SCOPE OF THE POLICY

This policy is prepared in accordance with the requirements of the provisions of Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”). The Board of Directors (“Board”) of Motilal Oswal Financial Services Limited (“Company”) has adopted this policy at its Meeting held on 19th October, 2015, for determination of materiality of events/information in order to enable the Company to broadly classify, categorize and promptly make the disclosures of material events/information to the stock exchanges, in accordance with the Regulations.

II. OBJECTIVE OF THE POLICY

- A. The Company believes in principles of disclosure and transparency and understands that timely disclosure of relevant information to the shareholders of the Company is important to protect the interests of shareholders of the Company. Non-compliance with the principles of disclosure and transparency can present potential risks to Company including by way of loss of shareholder confidence, non-compliance risks of the various regulations to the Company and may raise questions about the governance practices in the Company.
- B. This policy on the determination of materiality of events/Information, as required under 30(4)(ii) of the Regulation is laid down to express the policy of the Company for identification/determination of material events/information which require prompt disclosure to the Stock Exchanges in accordance with the Regulations.

III. THE BASIC PRINCIPLES REGARDING FAIR DISCLOSURE OF EVENTS OR INFORMATION

This Policy aims to follow the following principles:

- a) **Timeliness:** Disclosure of material information as soon as reasonably possible and not later than 24 hours from the occurrence of event or information or within such other time as may be prescribed by SEBI in the Listing Regulations from time to time.
- b) **Transparency:** Disclosure of material information with sufficient details that fosters, promotes and strengthens investors confidence in the Company.
- c) **Fairness:** Ensure wide dissemination of information avoiding the selective disclosure.
- d) **Confidentiality:** Maintaining the confidentiality of price sensitive information having regard to the disclosure obligations under this Listing Regulations.

- e) Accuracy – Ensuring the disclosure of accurate information to the Stock Exchanges and to the various stakeholders of the Company.
- f) Reliable – The information disclosed to be reliable and trust worthy.
- e) 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 the persons on the means to handle such information.
- f) Materiality: Ensures that all material information is made generally available in compliance of the provisions as applicable under the Listing Regulations.

IV. RELEVANT REGULATIONS

- A. Schedule III (Part A)(A), Schedule III (Part B), Schedule III (Part C) and Schedule III (Part D) of the Regulations prescribe a list of events which are deemed to be material events and are required to be disclosed by the Company promptly to the shareholders through the stock exchanges by the Company within the prescribed time.
- B. Schedule III (Part A)(B) of the Regulations specifies the list of events which may or may not be material to the Company and for which the Company has to apply the guidelines for materiality as specified in Regulation 30(4) in order to determine whether the event is material.
- C. Regulation 30(4) reads as follows:-

“(4) (i) The listed entity 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;

(c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event/information is considered material.

(ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.”

- D. Regulation 30(9) reads as follows

“The listed entity shall disclose all events or information with respect to its subsidiaries which are material for the listed entity.”

Accordingly, the Company shall disclose all events or information with respect to all subsidiaries, which are material to the Company.

DEEMED MATERIAL EVENTS:-

The deemed material events/information includes the following events/information:-

- 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.
- 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: The listed entity 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).
- 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 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.
- 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, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), 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 listed entity.
- 13) Proceedings of Annual and extraordinary general meetings of the listed entity.
- 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 listed entity to analysts or institutional investors;

V. DETERMINATION OF MATERIAL EVENT/INFORMATION

- A. The Company through this policy intends to determine whether an event or information is material or not in the following manner:-
 - a. Step 1: Classifying the information or event as i) Having an immediate monetary impact in the current or next financial year (“Monetary Events/Information”) or ii) Not having any immediate monetary impact in the current or next financial year (“Non-monetary Events/Information”).
 - b. Step 2: For Monetary Events/Information if the total monetary impact of the event/information on either the assets, liabilities, expenses or turnover of the Company exceeds 10 % (ten percent) of the annual consolidated turnover of the Company in the preceding accounting year, such events shall be classified as material events and promptly disclosed to the stock exchanges and on the website of the Company by any of the Authorised Key Managerial Personnel (KMP’s).
 - c. Step 3: For Non-Monetary Events/Information that, i) have a bearing on the performance/operation of the Company or ii) which is considered to be unpublished price sensitive information [as per the SEBI (Prohibition of Insider Trading) Regulations, 2015] or iii) shall affect payment of interest or dividend of non-convertible preference shares or redemption of non convertible debt securities or redeemable preference shares, shall be evaluated by the Authorised KMP’s for disclosure. The Authorised KMP’s shall evaluate the information based on the guidelines as provided in Regulation 30(4).
 - d. Step 4: The Authorised KMP’s in case of any doubt on whether any Event/Information is material or not, call for the Board Meeting to decide on the materiality of an event/information.

B. In addition to the above, the determination of materiality of event/information for all items specifically provided in Schedule III(Part A)(B) shall be as follows:-

Schedule III Part A- Part B Sub-Clause No.	Event/Information	Classification as per Policy	When can it be considered material
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Monetary Event/Information	When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.
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).	Such event/information could be either Monetary or Non-Monetary Event/Information	If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above. If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Board determine it needs to be disclosed
3	Capacity addition or product launch.	Monetary Event/Information	When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Monetary Event/Information	When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.

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.	Monetary Event/Information	When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.
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.	Monetary Event/Information	When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.
7	Effect(s) arising out of change in the regulatory framework applicable to the listed entity	Such event/information could be either Monetary or Non-Monetary Event/Information	<p>If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Board determine it needs to be disclosed</p>
8	Litigation(s) / dispute(s) / regulatory action(s) with impact.	Such event/information could be either Monetary or Non-Monetary Event/Information	If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.

			If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Board determine it needs to be disclosed
9	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.	Such event/information could be either Monetary or Non-Monetary Event/Information	<p>If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Board determine it needs to be disclosed</p>
10	Options to purchase securities including any ESOP/ESPS Scheme.	Such event/information could be either Monetary or Non-Monetary Event/Information	<p>If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Board determine it needs to be disclosed</p>
11	Giving of guarantees or indemnity or becoming a	Monetary Event/Information	When monetary impact exceeds thresholds as

	surety for any third party.		provided in Step 2 of Clause A(i) of the policy statement above.
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Such event/information could be either Monetary or Non-Monetary Event/Information	<p>If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Board determine it needs to be disclosed</p>

VI. DISCLOSURE OF OTHER EVENT/INFORMATION

The Company shall disclose 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.

VII. GUIDANCE ON WHEN AN EVENT/INFORMATION HAS OCCURRED

1. The Company may be confronted with the questions as to when an event/information can be said to have occurred.
2. In certain instances, the answer to above question would depend upon the stage of discussion, deliberation, negotiation or approval and in other instances where there is no such discussion, deliberation, negotiation or approval required viz. in case of natural calamities, disruptions etc, the answer to the above question would depend upon the timing when the Company became aware of such event/information.

In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information, after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividend etc., disclosure shall be made on receipt of approval of the event by the

Board of Directors, pending Shareholder's approval.

In the latter, the events/information can be said to have occurred when a Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013.

C. Nothing in this policy is intended to restrict the Company from voluntarily disclosing any additional information and the Authorised KMP's are jointly authorised to disclose additional information as may be considered important by the Authorised KMP's for disclosure of such information to the shareholders.

VIII. IMPLEMENTATION AND MONITORING

- A. The Managing Directors, Chief Financial Officer and the Company Secretary ("Authorised KMP's") of the Company are severally authorized by the Board to decide whether any event or information is material and for the purposes of making disclosures to the stock exchanges.
- B. In case of absence of any of the Authorised KMP's, any whole time director can act as an authorised KMP for the purposes of fulfilling the obligations under the Regulations.
- C. The Authorised KMP's shall in case of any doubt, call for a meeting (including by way of telephone call) of the Board of Directors of the Company to decide on the materiality of any event/information.

IX. CHANGE IN POLICY

This Policy may be amended or substituted by the Compliance Officer where there are any statutory changes or other changes necessitating the change in the policy.