



**Dewan Housing Finance Corporation Limited**

# **POLICY ON DISCLOSURE OF MATERIAL EVENTS AND INFORMATION**

<b>Amendment No.</b>	<b>Date</b>
<b>1<sup>st</sup> Amendment</b>	<b>30<sup>th</sup> April, 2018</b>
<b>2<sup>nd</sup> Amendment</b>	<b>27<sup>th</sup> June, 2018</b>

## I. PREFACE

Securities and Exchange Board of India (SEBI) notified and introduced the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) on 2nd September, 2015, which aims to consolidate and streamline the provisions of existing listing agreements for different segments of the capital market. These regulations focus at greater transparency, increased and timely disclosures and compliances.

Regulation 30 of the Listing Regulations deals with the disclosure of material events and information by the listed Companies which will enable its investors to make well – informed investment decisions. Listing Regulations divide the events that need to be disclosed broadly in two categories i.e. the events that have to be necessarily disclosed without applying any test of materiality and events that should be disclosed by the listed Companies, only if considered material. Further, in order to ensure sense of standardization and maintain uniformity in making disclosures by Listed Companies, SEBI vide Circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015 has issued a circular indicating the details that needs to be provided while disclosing events and guidance on when an event / information can be said to have occurred.

In view of the Listing Regulations and disclosure requirements, the Policy on Disclosure of Material Events and Information (“Policy”) has been formulated to determine the events and information which in the opinion of the Board are material and needs to be disclosed to the Stock Exchanges within the time period defined in the policy and has been approved by the Board of Directors on 27<sup>th</sup> November, 2015. This Policy shall be applicable with effect from 1st December, 2015 and shall replace the existing Disclosure Policy (under Clause 36 of the Listing Agreement) of the Company. However, the provisions relating to disclosure of Unpublished Price Sensitive Information (UPS I) shall be read together with the provisions of DHFL Code of Practices & Procedures for Fair Disclosure of UPS I.

## II. DEFINITIONS

1. **“Acquisition”** shall mean, acquiring control whether directly or indirectly; or 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 the holding from the last disclosure made under sub-clause (a) above and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2. **“Board of Directors or Board”** means the Board of Directors including any Committee as constituted by the Board, of Dewan Housing Finance Corporation Limited, as constituted from time to time.

3. **“Company”** means Dewan Housing Finance Corporation Limited.
4. **“Compliance Officer”** for the purpose of complying with the provisions of Listing Regulations and this policy shall be the Company Secretary of the Company or a qualified Company Secretary who has been designated as such by the Board.
5. **“Key Managerial Personnel”** of the Company means any person as defined in section 2(51) of the Companies Act, 2013.
6. **“Listing Regulations”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modification thereof.
7. **“Non-convertible debt securities”** which is ‘debt securities’ as defined under regulation 2(1)(e) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
8. **“Officer”** includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act;
9. **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
10. **“Specified securities”** means ‘equity shares’ and ‘convertible securities’ as defined under clause (zj) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
11. **“Stock Exchanges”** shall mean to include National Stock Exchange of India and the BSE Limited
12. **“Subsidiary company” or “subsidiary”**, in relation to any other company (that is to say the holding company), means a company in which the holding company—
  - (i) controls the composition of the Board of Directors; or
  - (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

*Explanation : For the purposes of this definition —*

- (a) a company shall be deemed to be a subsidiary company of the Company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the Company;
- (b) the composition of a company’s Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- (c) the expression “company” includes any body corporate;

*Note - The words and phrases used in this Policy and not defined here shall derive their meaning from the applicable laws.*

### III. APPLICABILITY

The Company is required to comply with the provisions of Regulation 30 of Chapter IV of Listing Regulations since the equity shares of the Company are listed on Stock Exchanges viz. National Stock Exchange of India and the BSE limited. Further, the Company is also required to comply with Regulation 51 of Chapter V of Listing Regulations since the Non-Convertible Debt securities i.e. Non Convertible Debentures of the Company are listed on Stock Exchanges viz. National Stock Exchange of India and the BSE limited. The Company may also have to comply with the disclosure requirement(s) in respect of any other security(ies) of the Company issued and listed, in India or abroad. as may be prescribed by the respective Security Market Regulator, whether in India or abroad.

### IV. DISCLOSURE EVENTS FOR SPECIFIED SECURITIES

This Policy divides the disclosure events broadly in the below four categories:

- A. Events or information to be necessarily disclosed without applying any test of materiality.
- B. Events or information arising out of outcome of Meeting of the Board of Directors.
- C. Events or information to be disclosed, if considered material by the Company.
- D. Other Disclosures.

#### A. Events or information to be necessarily disclosed without applying any test of materiality.

The below enumerated events or information shall be deemed to be material and shall be disclosed to the Stock Exchange(s) as soon as reasonably possible upon occurrence of an event i.e. upon receipt of Board Approval/ Shareholders Approval or when the Company or any of its officer becomes aware of such event or information; but not later than twenty four hours from the occurrence of such an event or information.

However, if the Company is unable to make any such disclosure/intimation within the specified timelines, it shall alongwith an explanation for such delay, take immediate steps to disclose/ inform such event/ information to the Stock Exchanges.

#### 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.**

The Company shall disclose the details pertaining to 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 of the Company, to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the conclusion of the Board Meeting in which such approval was granted by the Board:

### **1.1 Acquisition(s) (including agreement to acquire):**

The decision taken by the Board of Directors in respect of any Acquisition(s) (including agreement to acquire) shall be disclosed to the Stock Exchanges covering the following details:

- name of the target entity, details in brief such as size, turnover etc.;
- whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”;
- industry to which the entity being acquired belongs;
- objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the Company);
- brief details of any governmental or regulatory approvals required for the acquisition;
- indicative time period for completion of the acquisition;
- nature of consideration - whether cash consideration or share swap and details of the same;
- cost of acquisition or the price at which the shares are acquired;
- percentage of shareholding / control acquired and / or number of shares acquired;
- brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and
- Any other significant information (in brief).

### **1.2 Amalgamation/ Merger:**

The decision taken by the Board of Directors in respect of Amalgamation/ Merger shall be disclosed to the Stock Exchanges covering the following details:

- name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;
- whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”;
- area of business of the entity(ies);
- rationale for amalgamation/ merger;
- in case of cash consideration – amount or otherwise share exchange ratio;
- Brief details of change in shareholding pattern (if any)of the Company.

### **1.3 De-merger:**

The decision taken by the Board of Directors in respect of De-merger shall be disclosed to the Stock Exchanges covering the following details:

- brief details of the division(s) to be demerged;
- turnover of the demerged division and as percentage to the total turnover of the Company in the immediately preceding financial year / based on financials of the last financial year;
- rationale for demerger;

- brief details of change in shareholding pattern (if any)of all entities;
- in case of cash consideration – amount or otherwise share exchange ratio;
- whether listing would be sought for the resulting entity.

#### **1.4 Sale or disposal of unit(s) or division(s) or subsidiary of the Company:**

The decision taken by the Board of Directors in respect of Sale or disposal of unit(s) or division(s) or subsidiary of the Company shall be disclosed to the Stock Exchanges covering the following details:

- the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the Company during the last financial year;
- date on which the agreement for sale has been entered into;
- the expected date of completion of sale/disposal;
- consideration received from such sale/disposal;
- brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof;
- whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”;
- additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the Company with respect to such slump sale.
- For the purpose of this sub-clause, "slump sale" shall mean the transfer of one or more undertakings, as a result of the sale for a lump sum consideration, without values being assigned to the individual assets and liabilities in such sales.

#### **1.5 Other Restructuring:**

The decision taken by the Board of Directors towards any restructuring (other than those covered under point 1.1 - 1.4 above) shall be disclosed to the Stock Exchanges covering the following details:

- details and reasons for restructuring;
- quantitative and/ or qualitative effect of restructuring;
- details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring;
- brief details of change in shareholding pattern (if any)of all entities.

## **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.**

The Company shall disclose the details pertaining to 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., to the Stock

Exchanges as soon as reasonably possible but not later than 24 hours from the conclusion of the Board Meeting in which any such approval was granted by the Board:

## **2.1 Issuance of securities:**

The decision taken by the Board of Directors in respect of issuance of securities shall be disclosed to the Stock Exchanges covering the following details:

- Type of securities proposed to be issued (viz. equity shares, convertibles etc.);
- Type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc.);
- total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately);
- in case of preferential issue the Company shall disclose the following additional details to the stock exchange(s):
  - i. names of the investors;
  - ii. post allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors;
  - iii. in case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument;
- in case of bonus issue the Company shall disclose the following additional details to the stock exchange(s):
  - i. whether bonus is out of free reserves created out of profits or share premium account;
  - ii. bonus ratio;
  - iii. details of share capital - pre and post bonus issue;
  - iv. free reserves and/ or share premium required for implementing the bonus issue;
  - v. free reserves and/ or share premium available for capitalization and the date as on which such balance is available;
  - vi. whether the aforesaid figures are audited;
  - vii. estimated date by which such bonus shares would be credited/dispatched;
- in case of issuance of depository receipts (ADR/GDR) or FCCB the Company shall disclose the following additional details to the stock exchange(s):
  - i. name of the stock exchange(s) where ADR/GDR/FCCBs are listed (opening – closing status) / proposed to be listed;
  - ii. proposed no. of equity shares underlying the ADR/GDR or on conversion of FCCBs;
  - iii. proposed date of allotment, tenure, date of maturity and coupon offered, if any of FCCB's;
  - iv. issue price of ADR/GDR/FCCBs (in terms of USD and in INR after considering conversion rate);
  - v. change in terms of FCCBs, if any;
  - vi. details of defaults, if any, by the Company in payment of coupon on FCCBs & subsequent updates in relation to the default, including the details of the corrective measures undertaken (if any);

- In case of issuance of debt securities or other non convertible securities the Company shall disclose following additional details to the stock exchange(s):
  - i. size of the issue;
  - ii. whether proposed to be listed? If yes, name of the stock exchange(s);
  - iii. tenure of the instrument - date of allotment and date of maturity;
  - iv. coupon/interest offered, schedule of payment of coupon/interest and principal;
  - v. charge/security, if any, created over the assets;
  - vi. special right/interest/privileges attached to the instrument and changes thereof;
  - vii. delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal;
  - viii. details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any;
  - ix. details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures;
  
- Any cancellation or termination of proposal for issuance of securities including reasons thereof.

## **2.2 Split/consolidation of shares:**

The decision taken by the Board of Directors in respect of Split/consolidation of shares shall be disclosed to the Stock Exchanges covering the following details:

- split/consolidation ratio;
- rationale behind the split/consolidation;
- pre and post share capital – authorized, paid-up and subscribed;
- Expected time of completion;
- class of shares which are consolidated or subdivided;
- Number of shares of each class pre and post split or consolidation;
- Number of shareholders who did not get any shares in consolidation and their pre-consolidation shareholding.

## **2.3 Buy back of securities:**

The decision taken by the Board of Directors in respect of Buy back of securities shall be disclosed to the Stock Exchanges covering the following details:

- number of securities proposed for buyback;
- number of securities proposed for buyback as a percentage of existing paid up capital;
- buyback price;
- actual securities in number and percentage of existing paid up capital bought back;
- pre & post shareholding pattern.



#### **2.4 Any restriction on transferability of securities:**

The below mentioned information shall be informed to the Stock Exchanges not later than 24 hours of the Company or any of its officer becoming aware of any restriction being imposed on transferability of securities.

- authority issuing attachment or prohibitory orders;
- brief details and reasons for attachment or prohibitory orders;
- name of registered holders against whom restriction on transferability has been placed;
- total number of securities so affected;
- distinctive numbers of such securities if applicable;
- period for which order would be applicable (if stated).

#### **2.5 Any decision taken by the Board of Directors , which will result in alteration of the terms or structure of any existing securities , including, but not limited to:**

- forfeiture of shares;
- 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;
- proposal to issue any class of securities;
- alterations of capital, including calls;
- change in the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the Company.

#### **3. Revision in Rating(s)**

The Company shall notify the Stock Exchange(s) , the details of any new rating or revision in rating assigned from a credit rating agency to any debt instrument of the Company or to any fixed deposit program or any scheme or proposal of the Company involving mobilization of funds whether in India or abroad, as soon as reasonably possible but not later than 24 hours from the receipt of written communication from the rating agency.

In case, of any downward revision in ratings, the Company shall also communicate the reasons provided by the rating agency for such downward revision.

#### **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 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:**

The Company shall disclose the below mentioned details in respect of the 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 the normal course of business, revision(s) or amendment(s) and termination(s) thereof, as soon as reasonably possible but not later than 24 hours from the conclusion of the Board Meeting in which such approval was granted by the Board:

- name(s) of parties with whom the agreement is entered;
- purpose of entering into the agreement;
- shareholding, if any, in the entity with whom the agreement is executed;
- significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;
- whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”;
- in case of issuance of shares to the parties, details of issue price, class of shares issued;
- any other disclosures related to such agreements, viz., details of nominee on the board of directors of the Company, potential conflict of interest arising out of such agreements, etc;
- in case of termination or amendment of any such agreement, the Company shall disclose the following additional details to the Stock Exchanges:
  - i. name of parties to the agreement;
  - ii. nature of the agreement;
  - iii. date of execution of the agreement;
  - iv. details of amendment and impact thereof or reasons of termination and impact thereof.

**5. Fraud/ Defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.**

The Company or any of its officer, as the case may be, shall intimate the Stock Exchanges, details in respect of Fraud/ Defaults by promoter or key managerial personnel’s or by the Company or arrest of key managerial personnel or promoter, as soon as reasonably possible but not later than 24 hours of becoming aware of such information.

**5.1 At the time of unearthing of fraud or occurrence of the default / arrest, the below mentioned details shall be furnished by the Company:-**

- nature of fraud/default/arrest;
- estimated impact on the Company;
- time of occurrence;
- person(s) involved;
- estimated amount involved (if any);
- whether such fraud/default/arrest has been reported to appropriate authorities.

**5.2 Subsequently, the Company shall intimate the Stock Exchange(s) further details regarding the fraud/default/arrest including:-**

- actual amount involved in the fraud/default (if any);
- actual impact of such fraud /default on the Company and its financials; and
- corrective measures taken by the Company on account of such fraud/default.

**6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.**

The below mentioned information shall be sent to the Stock Exchange(s) in case of any change viz. appointment, resignation, removal, death or otherwise in the composition of the Board of Directors, Key Managerial Personnel, Auditor(s) or the Compliance Officer of the Company, as soon as reasonably possible but not later than 24 hours from the conclusion of the Board Meeting in which noting/ approval in respect of any such change was granted by the Board:

- reason for change viz. appointment, resignation, removal, death or otherwise;
- date of appointment/cessation (as applicable) & term of appointment;
- brief profile (in case of appointment);
- Disclosure of relationships between directors (in case of appointment of a director).

**7. Appointment or discontinuation of share transfer agent**

The Company shall inform the Stock Exchanges with reason the effective date of appointment or discontinuation of the Share Transfer Agent as soon as reasonably possible but not later than 24 hours from the conclusion of the Board Meeting in which such approval was granted by the Board.

**8. Corporate debt restructuring (“CDR”)**

In respect of Corporate debt restructuring, the Company shall disclose the below information to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the conclusion of the Board Meeting in which such approval was granted by the Board:

- Whether CDR is voluntary and reasons for opting or referred by lenders/creditors
- details of the loan to be subjected to restructuring under CDR;
- brief details of the CDR proposal (if any);
- The following updates to be provided at the time of the execution and at various stages of the implementation of the CDR scheme:
  - i. upon execution of any agreement in relation to the CDR proposal, disclose details such as date of execution, parties to the agreement and principal terms;
  - ii. details of final CDR package as approved by RBI and the lenders;
  - iii. lenders involved;
  - iv. brief summary of the CDR scheme including details of the securities, interest payment, repayment schedule, negative and other restrictive covenants.

**9. One time settlement (OTS) with a Bank.**

The Company shall provide reasons for opting OTS alongwith a brief summary to the Stock Exchange(s), as soon as reasonably possible but not later than 24 hours from the conclusion of the Board Meeting in which such approval was granted by the Board for the terms of the OTS.

**10. Reference to BIFR and winding-up petition filed by any party / creditors:**

The Company shall provide reasons for reference/petition, as the case may be, and furnish the details of the impact of such reference/petition on the Company to the Stock Exchanges, as soon as reasonably possible but not later than 24 hours from the conclusion of the Board Meeting in which such decision was taken by the Board.

**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:**

The Company shall disclose the below mentioned details in respect of 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, to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the conclusion of the Board Meeting in which such decision was taken by the Board.

- date of notice/call letters/resolutions etc.;
- brief details of proposed agenda, resolution, manner.etc.

**12. Proceedings of annual and extraordinary general meeting(s) of the Company:**

The Company shall, as soon as reasonably possible but not later than 24 hours from the conclusion of the general meeting, furnish the proceedings of annual and extraordinary general meetings to the Stock Exchange(s) alongwith the below details in brief:

- date of the meeting;
- Brief details of items deliberated and results (as may be available) thereof;
- Manner of approval proposed for certain items (e-voting etc.)

**13. Amendments to Memorandum and Articles of Association of Company, in brief.**

Any amendment to the Memorandum and Articles of Association of the Company shall be intimated to the Stock Exchanges with a brief background and reasons thereof as soon as reasonably possible but not later than 24 hours of the conclusion of meeting of the Board of Directors in which the amendment is proposed by the Board for the approval of the Shareholders.

**14. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.**

The Company shall keep the Stock Exchange(s) informed of the Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors, simultaneously or in no case later than 24 hours of the same being made available to the analyst or institutional investors.

**B. Events or information arising out of outcome of Meeting of Board of Directors.**

The below detailed event(s)/matter(s)/decision(s) shall be considered as material by the Board of Directors and an intimation to the Stock Exchange(s) shall be sent within thirty minutes of the conclusion of the Board Meeting held to consider such event(s)/ matter(s):

- Dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date/duration by which dividend shall be paid/dispatched;
- Any cancellation of dividend with reasons thereof;

- Decision on buyback of securities;
- Decision with respect to fund raising proposed to be undertaken;
- Increase in capital by issue of bonus shares through capitalization including the date/duration by which such bonus shares would be credited/dispatched;
- 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;
- Short particulars of any other alterations of capital, including calls;
- Financial results viz. Quarterly, Half Yearly, Annually;
- Decision on voluntary delisting by the Company from Stock Exchanges.

Every intimation made in this regard must contain the time of commencement and conclusion of the Board Meeting.

**C. Events to be Disclosed, if considered Material by the Company.**

The Board of Directors considering factors that may have direct or indirect impact on the reputation of the Company; non-disclosure of which may lead to creation of false market in the securities of the Company; or which may have a significant impact on the business operations or performance of the Company, have laid down the below events and information which may be considered as material for making appropriate disclosure to the Stock Exchanges as soon as reasonably possible to be communicated and as may be required under the Listing Regulations:

- 1. Commencement or any postponement in the date of commencement of the operations of any office/branch of the Company that may have a material impact on the operations/business of the Company.**
- 2. Change in the general character or nature of business brought about by:**

**2.1 Arrangements for strategic, technical or marketing tie-up:**

The Company will be required to disclose the Stock Exchange the following details in case of any arrangement for strategic, technical or marketing tie-ups which may bring about a change in the general character or nature of business.

- i. Agreement / joint venture (JV) with companies:
  - name of the entity(ies) with whom agreement/ JV is signed;
  - area of agreement/JV;
  - domestic/international;
  - share exchange ratio / JV ratio;
  - scope of business operation of agreement / JV;
  - details of consideration paid / received in agreement / JV;
  - significant terms and conditions of agreement / JV in brief;
  - whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";
  - size of the entity(ies);

- rationale and benefit expected.

The Company shall also be required to disclose the reasons if any such proposal earlier intimated is called off.

## 2.2 Adoption of new line(s) of business:

In case of Adoption of new line(s) of business which is expected to have a material impact on the business operations and financials of the Company, the following information shall be informed to Stock Exchanges by the Company.

- a) industry or area to which the new line of business belongs to;
- b) expected benefits;
- c) estimated amount to be invested.

## 2.3 Closure of operations of any office/branch of the Company that may have a material impact on the operations/business of the Company.

## 3. Product launch

The Company shall intimate the below enumerated details in the event of any new product which is expected to have a material impact on the business operations of the Company.

- name of the product;
- date of launch;
- category of the product;
- whether caters to domestic/ international market;
- name of the countries in which the product is launched (in case of international).

## 4. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof: Only important terms and conditions which may be as under needs to be disclosed by the Company to the Stock Exchanges

- name(s) of parties with whom the agreement is entered;
- purpose of entering into the agreement;
- size of agreement;
- shareholding, if any, in the entity with whom the agreement is executed;
- significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;
- whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";
- in case of issuance of shares to the parties, details of issue price, class of shares issued;
- in case of loan agreements, details of lender, nature of the loan, total amount of loan granted, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders for such loan;

- any other disclosures related to such agreements, viz., details of nominee on the board of directors of the Company, potential conflict of interest arising out of such agreements, etc;
- in case of termination or amendment of agreement, Company shall disclose additional details to the stock exchange(s):
  - i. name of parties to the agreement ;
  - ii. nature of the agreement;
  - iii. date of execution of the agreement;
  - iv. details of amendment and impact thereof or reasons of termination and impact thereof.

**5. Disruption of operations of any one or more branch/office of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc. which is expected to have a material impact on the business/operations of the Company, the following details shall be disclosed to the Stock Exchanges:**

5.1. At the time of occurrence;

- expected quantum of loss/damage caused;
- whether loss/damage covered by insurance or not including amount;
- estimated impact on the business/operations in case of strikes/lock outs;
- Branch/office where the strike/lock out takes place including reasons for such strike.

5.2. Regularly, till complete normalcy is restored:

- insurance amount claimed and realized by the Company for the loss/damage;
- the actual amount of damage caused due to the natural calamity or other force majeure events;
- details of steps taken to restore normalcy and the impact of the natural calamity/other force majeure events on business operations, financials of the Company.

**6. Effect(s) arising out of change in the regulatory framework applicable to the Company.**

The Company shall notify the Stock Exchange(s), effects on the business/operations and financials of the Company arising out of change in the regulatory framework as may be applicable to the Company, as considered to be material by the Board of Directors.

**7. Litigation(s)/ dispute(s) / regulatory action(s) with impact:**

The Company shall notify the Stock Exchanges upon it or its key management personnel or its promoter or ultimate person in control becoming party to any litigation, assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against or in favour of the Company, the outcome of which can reasonably be expected to have a material impact on the business operations, financials of the Company. The intimation to the Stock Exchanges shall cover the details as mentioned below:

7.1 At the time of becoming the party:

- brief details of litigation viz. name(s) of the opposing party, court/ tribunal/agency where litigation is filed, brief details of dispute/litigation;
- expected financial implications, if any, due to compensation, penalty etc;
- quantum of claims, if any;

7.2 Regularly till the litigation is concluded or dispute is resolved:

- the details of any change in the status and / or any development in relation to such proceedings;
- in the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings;
- in the event of settlement of the proceedings, details of such settlement including - terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the Company.

**8. Frauds/defaults by directors (other than key managerial personnel) or employees of the Company having a material impact on the Company; the below mentioned details shall be informed to the Stock Exchanges:**

**8.1** At the time of unearthing of such fraud or occurrence of the default/arrest:

- nature of fraud/default/arrest;
- estimated impact on the Company;
- time of occurrence;
- person(s) involved;
- estimated amount involved (if any);
- whether such fraud has been reported to appropriate authorities.

**8.2** Subsequently intimate the stock exchange(s) further details regarding the fraud/default including:

- actual amount involved in the fraud /default (if any);
- actual impact of such fraud /default on the Company and its financials;
- corrective measures taken by the Company on account of such fraud/default.

**9. Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme)**

The Company shall at the time of instituting the scheme and vesting or exercise of options furnish the below details to the Stock Exchange(s) :

- brief details of options granted;
- whether the scheme is in terms of SEBI (SBEB) Regulations, 2014 (if applicable);
- total number of shares covered by these options;
- pricing formula;
- options vested;
- time within which option may be exercised;
- options exercised;
- money realized by exercise of options;
- the total number of shares arising as a result of exercise of option;
- options lapsed;



- variation of terms of options;
- brief details of significant terms;
- subsequent changes or cancellation or exercise of such options;
- diluted earnings per share pursuant to issue of equity shares on exercise of options.

**10. Giving of guarantees or indemnity or becoming a surety for any third party which is material in nature:**

The Company shall intimate the Stock Exchanges with the below details:

- name of party for which such guarantees or indemnity or surety was given;
- Whether the promoter/ promoter group/ group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at “arms length”;
- brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee;
- Impact of such guarantees or indemnity or surety on Company.

**11. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals**

In respect of any key licenses or regulatory approvals being granted/withdrawn/surrendered/ cancelled or suspended, the Company shall be required to furnish the below details to the Stock Exchange(s)

- name of the regulatory or licensing authority;
- brief details of the approval/license obtained/ withdrawn/ surrendered;
- impact/relevance of such approval/license to the Company;
- withdrawal/cancellation or suspension of licence/approval by the regulatory or licensing authority, with reasons for such action, estimated impact (monetary or otherwise) on the Company and penalty, if any;
- period for which such approval/license is/was valid;
- Subsequently, the Company shall inform the stock exchange(s), the actual impact (monetary or otherwise) along with corrective actions taken by the Company pursuant to the withdrawal, cancellation or suspension of the key license/ approval.

**D. Other Disclosures:**

The Company shall intimate such other event /information alongwith its brief details thereof viz. major development that is likely to affect business, e.g. any change in the accounting policy that may have a significant impact on the accounts, regulatory framework.etc., which is exclusively known to the Company or any such event /information which the Board may determine to be material 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.

**V. DISCLOSURE EVENTS FOR NON-CONVERTIBLE DEBT SECURITIES**

The material events/information having a bearing on the performance/operations of the Company or being price sensitive or any action that may affect the interest payment or redemption of Non Convertible Debt Securities shall be promptly informed [as soon as

practically possible and without any delay, before providing the same to any third party] to the Stock Exchanges, by the Company, viz:

1. Expected default in timely payment of interests or redemption or repayment amount or both in respect of the Non-Convertible Debt Securities and also default in creation of security for debentures as soon as the same becomes apparent;
2. Any attachment or prohibitory orders restraining the Company from transferring Non-Convertible Debt Securities from the account of the registered holders along-with the particulars of the numbers of securities so affected , the names of the registered holders and their demat account details;
3. Any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any Non-Convertible Debt Securities;
4. Any action that shall affect adversely payment of interest on Non-Convertible Debt Securities including default by the Company to pay interest on Non-Convertible Debt Securities or redemption amount and failure to create a charge on the assets;
5. any events such as strikes and lock outs. which have a bearing on the interest payment/ dividend payment / principal repayment capacity;
6. Any change in the form or nature of any of its Non-Convertible Debt Securities that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the Stock Exchanges so require;
7. Details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, Company and /or the assets along with its comments thereon, if any;
8. Delay/ default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date;
9. Failure to create charge on the assets within the stipulated time period;
10. Any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the Company with any investor(s)/lender(s).

*Note : 'default' shall mean non-payment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.*

11. The following approvals by Board of Directors in their meeting:-
  - the decision to pass any interest payment;

- short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way;
  - all the information, report, notices, call letters, circulars, proceedings, etc. concerning non convertible debt securities;
12. Any other change that shall affect the rights and obligations of the holders of Non-Convertible Debt Securities, any other information not in the public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the Company as well as price sensitive information.

## **VI. AUTHORITY**

The Company shall be required to make adequate disclosures to the Stock Exchanges of any event or information which in the opinion of the Board of Directors is material. The Board of Directors shall have the ultimate authority to take a view on the materiality of an event or information.

The Board of Directors has authorised the Key Managerial Personnel's of the Company to jointly and severally determine whether an event or information is material and to make necessary disclosures to the Stock Exchange(s).

However, the Key Managerial Personnel's shall keep the Board informed upon determining the materiality of an event or information and its disclosure to the Stock Exchange(s).

## **VII. CRITERIA FOR DETERMINATION OF MATERIALITY**

The Board or the Key Managerial Personnel so authorised by the Board for the purpose, shall consider and apply the below mentioned criteria for determining the materiality of an event or information:

(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 comes to light at a later date;

*Note: The above criteria shall not be applied to events/information as listed out in Clause A and B of Disclosure events for specified securities since the events/information listed therein are deemed to be material in nature.*

However, in case where the criteria as specified in (i) and (ii) above are not applicable, the Key Managerial Personnel under the guidance /information to the Board of Directors shall on case to case basis, based on specific facts and circumstances relating to an event/information determine its materiality and make necessary disclosure/intimation to the Stock Exchange(s), for those as determined to be material.

**VIII. DISCLOSURE OF EVENTS/INFORMATION ON SUBSIDIARIES**

The Company shall disclose such events / information about its subsidiary, if any, which are considered material in nature in the opinion of the Board of Directors and whose disclosure is likely to materially affect the prices of the securities of the Company.

**IX. CONTINUOUS DISCLOSURE REQUIREMENT**

The Company shall disclose/update the Stock Exchanges on all material developments, if any, with regard to the events/information already intimated, as listed out in Clause A, B, C and D of Disclosure events for specified securities or any other material event or information as may be earlier disclosed to the Stock Exchanges, on regular basis, until such event is resolved or closed.

**X. WEBSITE DISCLOSURE AND ARCHIVAL**

The Company shall upload all the communications sent to the Stock Exchanges under Regulation 30 of the Listing Regulations and this policy on its official website i.e. [www.dhfl.com](http://www.dhfl.com) and shall continue to host such communication on its website for a minimum period of five years and thereafter during the course of updation of such disclosures on the website, older records shall be archived under the sub section “Archived Information” which shall contain the disclosures for a period of three years after the initial period of five years of being on live page.

Communication sent to the Stock Exchanges with regard to further developments on the events/information as disclosed must also be updated on the Company’s website simultaneously, but in no case later than two working days of such intimation/disclosure to the Stock Exchanges.

**XI. RESPONSE TO QUERIES/REPORTED EVENTS**

The Company shall take necessary steps to provide specific and adequate explanation/ detail/ reply to the queries, if any, raised by the Stock Exchanges with regard to any event or information pertaining to the Company.

The Company may on its own initiative accept, confirm, deny or clarify with respect to any reported event or information pertaining to the Company. However, the Company shall not be under an obligation to respond to speculative news/press/media reports.

**XII. REVIEW**

This policy shall be subject to review/amendment as may be deemed necessary by the Board of Directors primarily to comply with any regulatory amendment(s) or statutory modification(s) to the Listing Regulations or any other Act/Law/Regulations.

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