



MUTHOOT CAPITAL SERVICES LIMITED

(MCSL)

Policy on Disclosure of Material Events/Information

Presented By:

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This Policy is approved by the Board of Directors at the meeting held on Wednesday, 11th November, 2015

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POLICY ON DISCLOSURE OF MATERIAL EVENTS/INFORMATION

(Pursuant to Regulation 30 (4) (ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. Preface

Muthoot Capital Services Limited (MCSL), being a Listed Company, is required to formulate a Policy for the Determination of Material Events/Information in terms of Regulation - 30 (4) (ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations).

The policy on Disclosure of Material of Events/information shall be called Muthoot Capital Services Limited (MCSL) - Policy on Disclosure of Material of Events/information

2. Policy Objective and Scope

The policy is framed for the purpose of determine the events and information which in the opinion of the Board are Material and needs to be disclosed to the Stock Exchanges as per the time span hitherto defined.

The purpose of this policy is to present a high level policy statement for Muthoot Capital Services Limited (MCSL) regarding disclosure of material events/information in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy is intended to define MCSL's policy on disclosure of events/information and to provide guidance to the Board of Directors, KMPs and other executives and staff working in MCSL in making decisions and undertaking regarding its responsibility about making public such events/information which may materially affect the performance of the Company and thereby the share prices of the Company.

The main object of this policy is the systematic identification, categorization, review, disclosure and updation of website the details of information/events which are considered material or not but which may have a bearing on the performance of the Company and which may materially affect the share prices of the Company.

3. Definitions

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and Rules, Notification and Circulars made/issued thereunder, as amended from time to time.

“Act” means the Companies Act, 2013, Rules framed thereunder and any amendments thereto.

“Company” means Muthoot Capital Services Limited incorporated under the Companies Act, 1956.

“Board of Directors or Board” means the Board of Directors of MCSL as constituted from time to time.

“Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Applicable Law” means any law, rules, circulars, guidelines or standards issued by Statutory and Regulatory Authorities under which the disclosure of material events/information has been prescribed.

“Independent Director” means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI’s Listing Regulation, 2015.

“Audit Committee or Committee” means Audit Committee constituted by the Board of Directors of the Company, from time to time under provisions of SEBI Listing Regulations, 2015, and/or the Companies Act, 2013.

“Policy” means Policy on Disclosure of Material Events/Information.

“Listing Regulation” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Material Events” are those that are specified in Para A of Part A of Schedule III of Listing Regulation.

“Other Events” are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, as specified in Sub-Regulation (4) of Regulation 30.

“Key Managerial Personnel” (KMP) of the Company includes the Managing Director, Chief Executive Officer, Chief Finance Officer and Company Secretary.

“Responsible Officers” General Manager, Chief Finance Officer, Company Secretary and Head of all the Departments of the Company.

4. Criteria for determination of materiality of events/information

MCSL shall determine the materiality of a particular event/information based on the criteria specified below:

- 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.

5. Disclosure of events or information

5.1 Category A

Events considered Material in view of the Board of Directors which needs to be disclosed to the Stock Exchanges **within 24 hours of the decision taken at the Board Meeting** are:

- (i) Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/merger/demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring.

Explanation. - For the purpose of this sub-para, the word 'acquisition' shall mean,-

1. Acquiring control, whether directly or indirectly; or,
2. Acquiring or agreeing to acquire shares or voting rights in, a Company, whether directly or indirectly, such that -

- a) MCSL 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 holding from the last disclosure made under sub-clause (a) of clause (2) of the explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said Company.
- (ii) 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.
 - (iii) Revision in Rating(s).
 - (iv) Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of MCSL), 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.
 - (v) Fraud/defaults by Promoter or Key Managerial Personnel or by the Company or arrest of Key Managerial Personnel or Promoter.
 - (vi) Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary etc.) Auditor and Compliance Officer.
 - (vii) Proceedings of Annual and Extraordinary General Meetings of MCSL.
 - (viii) Amendments to Memorandum and Articles of Association of MCSL, in brief.
 - (ix) Schedule of Analyst or institutional investor meet and presentations on financial results made by MCSL to analysts or institutional investors;

Note: All information shall be provided to Stock Exchanges **within 24 hours** of the decision taken by the Board. If the Company is not in a position to inform the Stock Exchanges within the stipulated time, it shall inform the Stock Exchanges as soon as is possible with an explanation as to reason for delay in disclosing the said information.

5.2 Category B

Outcome of Meetings of the Board of Directors:

MCSL shall disclose to the Exchange(s), **within 30 minutes of the closure of the Board Meeting**, held to consider the following:

- (i) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
- (ii) any cancellation of dividend with reasons thereof;
- (iii) the decision on buyback of securities;
- (iv) the decision with respect to fund raising proposed to be undertaken;
- (v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- (vi) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- (vii) short particulars of any other alterations of capital, including calls;
- (viii) financial results;
- (ix) decision on voluntary delisting by the listed entity from Stock Exchange(s).
- (x) Appointment or discontinuation of Share Transfer Agent.
- (xi) Corporate debt restructuring.

- (xii) One time settlement with a bank.
- (xiii) Reference to BIFR and winding-up petition filed by any party/creditors.
- (xiv) 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 MCSL.

5.3 Category C

Other Events/Decisions not considered Material in view of the Board of Directors which however, needs to be disclosed to the Stock Exchange(s) **as soon as it is possible when the necessary information is ready to be publicised** which are:

- (i) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- (ii) Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
- (iii) Capacity addition or product launch.
- (iv) Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- (v) Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
- (vi) Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
- (vii) Effect(s) arising out of change in the regulatory framework applicable to MCSL.

- (viii) Litigation(s)/dispute(s)/regulatory action(s) with impact.
- (ix) Fraud/defaults etc. by directors (other than Key Managerial Personnel) or employees of listed entity.
- (x) Options to purchase securities including any ESOP/ESPS Scheme.
- (xi) Giving of guarantees or indemnity or becoming a surety for any third party.
- (xii) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

5.4 Category D

The Board may also decide to intimate to Stock Exchange(s) any other event/information 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 MCSL which may be necessary to enable the holders of securities of the MCSL to appraise its position and to avoid the establishment of a false market in such securities.

5.5 Category E

Without prejudice to the generality of Category A, B, C and D above, MCSL may make disclosures of event/information as specified by the **Board from time to time**.

6. Procedural guidelines for Determination of Materiality of Events/information (Category D & E)

In order to ensure that the Company complies with the disclosure obligations under the new Listing Regulations, the Board has established an internal system for reporting any event/information under category D & E which may require disclosure so that the event/information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges.

Authority for determination of Materiality of Events/Information (Category D & E)

The Managing Director of the Company is authorised to determine whether the event/information is material or not under category D & E and in turn about its time line for disclosure based on the category of information as specified above to the Stock Exchanges, subject to such information being placed prior to or at the immediate Board Meeting held after the said information being made public.

The Compliance Officer for the purpose of complying with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be the Company Secretary of the Company.

Under the system, General Managers, Chief Finance Officer, Company Secretary and Heads of the Departments who are responsible for relevant areas of the Company's operations (Responsible Officers) must report to Chief Executive Officer of the Company any event/information which may possibly be material or of which the Responsible Officer is uncertain as to its materiality. The event/ information should be reported immediately after a Responsible Officer becomes aware of it.

On receipt of communication of potential material event/information, the CEO will

- (i) Review event/information and to take whatever steps necessary to verify its accuracy;
- (ii) Assess whether the event/information is required to be disclosed to the Stock Exchanges under the Listing Regulations;
- (iii) Report the matter to Managing Director that event/information is material and requires disclosure under Regulation 30 of the Listing Regulations.

Where the Managing Director or Chief Executive Officer or General Managers or Chief Finance Officer or Company Secretary is not certain about materiality of event/information, they may refer matter for external legal advice.

The Chief Executive Officer, Chief Finance Officer and Company Secretary of the Company are authorised for the purpose of making disclosure about material events or information to the Stock Exchange(s).

7. Procedure for Disclosure of Material events/information

The procedure to be followed in relation to the lodgment of announcement of material event/information is as follows:

(i) Prepare draft announcement to the Stock Exchanges:

If the event/information is material, the Company Secretary will prepare draft announcement to the Stock Exchanges which is factual and expressed in clear manner and obtain approval of Managing Director/CEO of the Company.

(ii) Lodge Announcements:

The Company Secretary on behalf of the Company will lodge or arrange for lodgment of the announcement with the Stock Exchanges.

(iii) Post announcement on website:

After lodgment of the announcement with the Stock Exchanges, the Company Secretary will arrange to place it on the website of the Company. All the announcements made under this Policy shall be kept on the website as per the Archival Policy of the Company.

8. Communication of this Policy

All Directors, Key Managerial Personnel (KMPs) and Responsible Officers may be informed of the existence of this policy by email/other modes of communication. This Policy shall also be posted on the web-site of the Company.

9. Approval and Review of the Policy

This policy is approved by the Board of Directors of the Company at its meeting held on **Wednesday, 11th November, 2015**. Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to review any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

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