



POLICY ON DETERMINATION OF MATERIALITY

OF

PNB HOUSING FINANCE LIMITED

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POLICY ON DETERMINATION OF MATERIALITY

(Pursuant to Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I. PREAMBLE

This Policy shall be called as “**Policy on Determination of Materiality of Events or Information**” (hereinafter referred to as “**Policy**”) of PNB Housing Finance Limited (“**Company**”).

In terms of Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI LODR Regulations**”), every listed company is required to frame a policy for determining the materiality, based on criteria specified in Regulation 30(4), duly approved by its Board, which is to be disclosed on the website of the Company.

II. OBJECTIVE OF POLICY

Pursuant to Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the Company hereby adopt this Policy for determination of materiality of events or information. The purpose of this Policy is to determine the materiality of the events and information as per the criteria elucidated below for making necessary disclosures to the Stock Exchange(s) under Regulation 30 of the SEBI LODR Regulations as amended.

III. DEFINITIONS

- (i) “**Act**” means the Companies Act, 2013, including any amendments thereto.
- (ii) “**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.
- (iii) “**Compliance Officer**” shall mean the Company Secretary of the Company;
- (iv) “**Key Managerial Personnel**” as defined under Companies Act, 2013 means:
 - a. the Chief Executive Officer or the Managing Director or the Manager (as defined under Companies Act, 2013);
 - b. Whole- time directors(s);
 - c. Chief Financial Officer;
 - d. Company Secretary;
 - e. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - f. such other Officer as may be prescribed
- (v) “**SEBI**” shall mean the Securities and Exchange Board of India;
- (vi) “**Senior Management**” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.
- (vii) “**Specified Securities**” shall have the meaning ascribed in Regulation 2(1) (zl) of the SEBI Listing Regulations;
- (viii) “**Stock Exchange(s)**” shall mean the National Stock Exchange of India Limited and the BSE Limited;

Unless the contrary is apparent from context, words and expressions not defined herein shall have the meaning ascribed to them under the SEBI LODR Regulations, the SEBI Act, 1992, the SEBI (Issue of

Capital and Disclosure Requirements) Regulations, 2018 and the Securities Contracts (Regulation) Act, 1956 or any other cognate statute.

IV. MATERIAL EVENTS OR INFORMATIONS

A. Deemed material events or information:

The following events, as specified in Paragraph (A) of Part A of Schedule III of the SEBI LODR Regulations, shall be deemed to be material events and shall be disclosed to the Stock Exchanges without any application of the guidelines for materiality:

1. Acquisition(s) (including agreement to acquire), scheme of arrangement (amalgamation/ merger/ demerger/restructuring), sale or disposal of any unit(s), division(s) or whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring. The word 'acquisition' shall mean:

(i) acquiring control, whether directly or indirectly; or,

(ii) acquiring or agreeing to acquire shares or voting rights in a company, whether directly or indirectly, such that –

(a) the Company holds shares or voting rights aggregating to 5 (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 (ii) of the Explanation to this sub-para and such change exceeds 2 (two) per cent of the total shareholding or voting rights in the said company.

(c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

“Sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

(i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or

(ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

“Undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013

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. New Rating(s) or Revision in rating(s).
4. Outcome of the meetings of the Board of Directors: The Company shall disclose to the Stock Exchanges, 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 Company from Stock Exchange(s).

[Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.]

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 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.

5(A). Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the listed entity, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that such agreements entered into by a Company in the normal course of business shall not be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of the regulations.

6. Fraud or defaults by the Company, its promoter, director, Key Managerial Personnel, senior management or subsidiary or arrest of Key Managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad:

(i) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

In case of revolving facilities like cash credit the Company would be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the Company.

7. Change in directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.

a) If the auditor of the Company gives his resignation, Company shall disclose to the stock exchanges the detailed reasons of such resignation as soon as possible but not later than 24 hours of receipt of such reasons from the auditor.

b) If the independent director of the Company gives his resignation, company shall give following disclosures to the stock exchanges within 7 days from the date of resignation:

- i. Detailed reasons for the resignation of the independent director as given by the said director and
- ii. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
- iii. Confirmation by the independent director that there is no other material reasons other than those provided.

(7C) In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges within 7 days from the date that such resignation has come into effect.

(7D) In case the Managing Director or Chief Executive Officer was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than 45 days in any rolling period of 90 days, the same along with the reasons for such indisposition or unavailability.

8. Appointment or discontinuation of share transfer agent.
9. Resolution Plan/ Restructuring in relation to loans/borrowings from banks/ financial institutions with details as mentioned in the LODR.
10. One time settlement with a bank.
11. 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 Company.
13. Proceedings of Annual and extraordinary general meetings of the Members of the Company.
14. Amendments to Memorandum and Articles of Association of Company, in brief.
15. Schedule of analyst or institutional investor meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations on financial results made by the Company to analysts or institutional investors as mentioned in LODR.
16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
 - d. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
 - e. List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - f. Appointment/ Replacement of the Resolution Professional;
 - g. Prior or post-facto intimation of the meetings of Committee of Creditors;
 - h. Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - i. Number of resolution plans received by Resolution Professional;
 - j. Filing of resolution plan with the Tribunal;
 - k. Approval of resolution plan by the Tribunal or rejection, if applicable;

- l. Specific features and details of the resolution plan as approved by the adjudicating authority under the insolvency code not involving commercial secret including details as per LODR.
 - m. Any other material information not involving commercial secrets.
 - n. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS.
 - o. Quarterly disclosure of the status of achieving the MPS.
 - p. The details as to the delisting plans if any approved in the resolution plan.
17. Initiation of Forensic audit: In case of initiation of forensic audit, by whatever name called, disclosures as per LODR shall be made.
18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management, in relation to any event or information which is material in terms of regulation 30 and is not already made available in the public domain.
- “Social Media Intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
19. Action(s) initiated, or orders passed by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, senior management, promoter or subsidiary, in respect of the following:
- (a) search or seizure; or
 - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
 - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details:
 - a.name of the authority;
 - b.nature and details of the action(s) taken, initiated or order(s) passed;
 - c.date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - d.details of the violation(s)/contravention(s) committed or alleged to be committed;
 - e.impact on financial, operation or other activities, quantifiable in monetary terms to the extent possible.
20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, senior management, promoter or subsidiary, in respect of the following:
- a. suspension;
 - b. imposition of fine or penalty;
 - c. settlement of proceedings;
 - d. debarment;
 - e. disqualification;
 - f. closure of operations;
 - g. sanctions imposed;
 - h. warning or caution; or
 - i. any other similar action(s) by whatever name called;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- a. name of the authority;
- b. nature and details of the action(s) taken, initiated or order(s) passed;
- c. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- d. details of the violation(s)/contravention(s) committed or alleged to be committed;

- e. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

21. Voluntary revision of financial statements or the report of the board of directors under section 131 of the Companies Act, 2013.

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

B. The following events shall be considered material subject to the application of the guidelines for materiality:

- i. Commencement or any postponement in the date of the commencement of commercial production or commercial operation of any unit/division.
- ii. Any of the following events:
 - a. arrangements for strategic, technical, manufacturing or marketing tie-up; or
 - b. adoption of new line(s) of business or
 - c. closure of operations of any unit, division or subsidiary (in entirety or in 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 and revision(s) or amendment(s) or termination(s) thereof.
- 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 branches of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or other events .
- vii. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- viii. Pendency of any Litigation(s)/ dispute(s)/the outcome thereof which may have an impact on the Company.
- ix. Fraud/defaults by employees of Company to the extent the Company is aware or made aware of.
- x. Options to purchase securities including any ESOP/ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety by whatever named called for any third party.
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- xiii. Delay or default in the payment of fines, penalties, dues etc. to any regulatory, statutory, enforcement or judicial authority.

C. The events mentioned in clause (B) above shall be considered material only on application of the following guidelines

- 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 came to light at a later date; or

- iii. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - 1. 2% of turnover, as per the last audited consolidated financial statements;
 - 2. 2% of net worth, as per the last audited consolidated financial statements, except in case the arithmetic value of the net worth is negative;
 - 3. 5% of the average of absolute value of profit or loss after tax, as per the last 3 audited consolidated financial statements;

In case where the criteria specified in above sub-clauses (i), (ii) and (iii) are not applicable, an event/information may be treated as being material if in the opinion of the Board, the event/ information is considered material.

D. Any other event information/ that is likely to impact the Business

- i. Emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc.
- ii. Any other information which is exclusively known to the Company 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.
- iii. Any other event which in the view of the Board of directors or KMP of the Company is material.

Without prejudice to the generality of para (A), (B) and (C) and above, the Company may make disclosures of event/information as specified by the Board from time to time.

V. AUTHORITY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION

The following personnel are authorized by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges:

- i. Managing Director & CEO
- ii. Chief Financial Officer;
- iii. Compliance Officer.

Unless otherwise decided by the Board, materiality of an event or information for making disclosure to the stock exchange shall be determined severally by Managing Director & CEO or jointly with CFO/Compliance Officer of the Company.

The Compliance Officer or any other person authorized by the Board shall be responsible for making disclosures to the Stock Exchanges. The contact details of the Compliance Officer or any other person authorized by the Board shall be made available to the Stock Exchanges and shall also be made available on the website of the Company. The Authorized Personnel will ascertain the materiality of the event or information based on the SEBI LODR Regulations and this Policy.

VI. DISCLOSURE

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

- i. 30 minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- ii. 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;

- iii. 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

The disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the Listing Regulations, shall be made within such timelines:

In case the disclosure is made after the timelines specified under the Listing Regulation, then, along with such disclosure, Company shall provide the explanation for the delay.

- iv. Disclosure of any material development with relevant explanations shall be made on a regular basis of any event, till the time the event is resolved/ closed.
- v. All the disclosures made to the stock exchanges under this Policy shall also be placed on the Company's website and the same shall be available for a minimum period of five years and thereafter as per the web archival policy of the Company.
- vi. The Company shall also disclose all the events or information with respect to its subsidiaries which are material for the Company.
- vii. The disclosures given under Clause 4(A), 4(B) and 4(C) shall be made in accordance to SEBI Circular or any statutory modification/amendment thereof.

VII. AUTHORITY AND AMENDMENTS TO THE POLICY

The Board of Director is authorized to make such alterations to this Policy as considered appropriate, subject however, to the condition that such alterations shall not be inconsistent with the provisions of the SEBI LODR Regulations or any other law for the time being in force.

This Policy will be reviewed and updated annually or at earlier intervals as deemed necessary. Consequent upon any change in the SEBI LODR Regulations or any other applicable law/ regulatory guidelines, if any, such change to the extent applicable to the Company, shall be deemed to be a part of this Policy until this Policy is reviewed and approved.

VIII. INTERPRETATION

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act, rules made thereunder, and the SEBI LODR Regulations.

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this Policy is amended to conform to the law, rule, regulation or standard.

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

IX. DISSEMINATION OF THE POLICY

This Policy shall be disseminated on the website of the Company.