



DHANVARSHA FINVEST LIMITED

POLICY FOR DETERMINATION AND DISCLOSURE OF MATERIAL EVENTS

VERSION NO. 2

August 10, 2018

Policy for Determination and Reporting of Material Event

Background

Dhanvarsha Finvest Limited (the “Company”) is committed to transparency and fairness in dealing with all its stakeholders by disclosing all material events/information relating to the Company.

Securities and Exchange Board of India (“SEBI”) with the objective of bringing the basic framework governing the regime of listed entities in line with the Companies Act, 2013 and at the same time compiling all the mandates of varied regulations/circulars issued by SEBI governing equity as well as debt segments of capital market under the ambit of a single document, has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations (“LODR” or “Regulations”) on September 2, 2015. These Regulations shall come into force on the ninetieth day from their publication i.e. December 1, 2015.

Regulation 30 of the Regulations mandates all listed entities to frame a policy for determination of materiality of events / information, approved by its board of directors. The said Regulation also mandates all listed entities to report (a) all material events that are either specified in the Regulations; and (b) all other events which are determined as material events based on the criteria for determination of materiality of events / information specified in the Regulations.

In compliance with Regulation 30 of the aforesaid Regulations, the Board of Directors (“Board”) of the Company had adopted the amended “Policy for Determination and Reporting of Material Events” (Policy) at its meeting held on August 10, 2018.

1. Title and Commencement

- 1.1. This Policy is called “Policy for Determination and Reporting of Material Events”.
- 1.2. It shall come into force with effect from October 30, 2015.

2. Definitions

2.1 “Material Event” shall mean-

- (i) all events/information specified in Para A of Part A of Schedule III of the Regulations;
- (ii) all events/information specified in Para B of Part A of Schedule III of the Regulations, determined as Material Event by the Authorized Representative based on the following criteria specified in sub-regulation 4(1) of Regulation 30:
 - (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 the Company, the event / information is considered material.

(iii) Any other information/event which is exclusively known to the Company which may be necessary 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;

(iv) Any other event / information not covered in clause (i), (ii) and (iii) above, as may be specified by the Board of Directors from time to time.

Explanation: For the purpose of Clause 2.1(ii)(c) an event/information may be treated as material on the following parameters:

- (a) Event which will require provisioning to be made in accounts: 5% of the annualized net profit as per last year's accounts of the Company;
- (b) Event which will not require provisioning but shown as contingent liability in accounts: 5% of net worth as per the last year's accounts of the Company; and
- (c) Event of which the possibility is remote: 10% of net worth as per the last year's accounts of the Company.

An extract of extant Part A of Schedule III of the Regulations is appended in Annexure I.

2.2 "Authorized Representative" means the Compliance Officer of the Company appointed by the Board to ensure compliance of this Policy.

3. ROLE OF AUTHORIZED REPRESENTATIVE AND FUNCTIONAL HEAD

3.1 All functional heads shall be responsible to forthwith intimate any event / information in relation to their respective functions which may be considered as Material Event.

3.2 Post receipt of intimation from functional heads, Authorized Representative shall determine whether such events/information falls within the ambit of Material Event after considering the criteria specified in this Policy and sub-regulation 4(1) of Regulation 30.

4. PRINCIPLES OF FAIR DISCLOSURE ON MATERIAL EVENT:

The Policy seeks to ensure timely, fair and adequate disclosure of Material Events to the investor community by the Company and to enable them to take informed investment decisions with regard to the Company's securities. To achieve these objectives and in compliance with the

Regulations, the Company shall, to the extent required, adhere to the principles of fair disclosure of unpublished price sensitive information contained in the Company's Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in relation to the disclosure of Material Event. The Company shall also follow the guidelines issued by SEBI to decide the extent up to which information need to be provided which disclosing Material Events.

5. TIME-FRAME FOR REPORTING AND UPDATION OF MATERIAL EVENTS

The Authorized Representative(s) shall adhere to the timeframe for disclosure of Material Events to the stock exchanges as specified in the Regulations and the extract of the relevant sub-clause (6) of Regulation 30 is appended in Annexure II.

The Authorized Representative(s) shall, with respect to disclosures referred to in this Policy and the Regulations, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

The Authorized Representative(s) for the purpose of ensuring appropriate disclosures of Material Events, shall require any official of the Company to furnish such documents / information as may be necessary. The Authorized Representative(s) shall be entitled to rely on the documents / information / confirmation received from such officials of the Company.

6. DISCLOSURE OF POLICY AND MATERIAL EVENTS ON THE WEBSITE

This Policy shall be disclosed on the website. Further, the details of Material Events (including updation thereof) disclosed to Stock Exchanges under this Policy and the Regulation shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company.

7. AMENDMENTS / MODIFCATIONS TO THE POLICY

The Managing Director of the Company is authorized to make such amendment(s) or modification(s) in the Policy as may be necessary to comply with the regulatory requirements.

8. ADDITIONAL GUIDELINES/RULES

The Board of Directors may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of Material Events.

ANNEXURE I

EXTRACT OF PART A OF SCHEDULE III TO THE REGULATIONS

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of Regulation (30):

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

Explanation- For the purpose of this sub-para, 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 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 holding from the last disclosure made under sub-clause (a) of clause (ii) 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.
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
 3. Revision in Rating(s).
 4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/ dispatched;
 - b) any cancellation of dividend with reasons thereof;
 - c) the decision on buyback of securities;
 - d) the decision with respect to fund raising proposed to be undertaken;
 - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/ dispatched;
 - f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;

- g) short particulars of any other alterations of capital, including calls;
 - h) financial results; and
 - i) decision on voluntary delisting by the listed entity from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s) /treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
 6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
 7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 8. Appointment or discontinuation of share transfer agent.
 9. Corporate debt restructuring.
 10. One-time settlement with a bank.
 11. Reference to BIFR and winding-up petition filed by any party /creditors.
 12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
 13. Proceedings of Annual and extraordinary general meetings of the listed entity.
 14. Amendments to memorandum and articles of association of listed entity, in brief.
 15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.
- B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of Regulation (30):**
1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
 2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).

3. Capacity addition or product launch.
 4. Awarding, bagging / receiving, amendment or termination of awarded / bagged orders/contracts not in the normal course of business.
 5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
 6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
 7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
 8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
 9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
 10. Options to purchase securities including any ESOP/ESPS Scheme.
 11. Giving of guarantees or indemnity or becoming a surety for any third party.
 12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- C. Any other information / event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.
- D. Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event / information as specified by the Board from time to time.

ANNEXURE II

The listed entity shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty-four hours from the occurrence of event or information:

Provided that in case the disclosure is made after twenty-four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay:

Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.

The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.