



Baid Leasing and Finance Co. Ltd.

POLICY FOR DETERMINATION OF MATERIALITY OF INFORMATION OR EVENT

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Company Circulation

Version Control:

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1.0	Amendment pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021	22nd June 2021	Compliance Department

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Company Circulation

BAID LEASING AND FINANCE CO. LTD. ("**Company**") believes in adequate and accurate disclosures of information on an ongoing basis, in order to enable investors to make well informed and timely investment decisions. This would ensure transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

➤ **PURPOSE OF THE POLICY**

The purpose of this Policy is to determine materiality of events and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure of events / information specified in Para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchanges.

➤ **DEFINITIONS**

In these regulations, unless the context otherwise requires:—

- (a) "**Board of Directors**" means the board of Directors, of Baid Leasing and Finance Co. Ltd. As constituted from time to time;
- (b) "**Company**" means Baid Leasing and Finance Co. Ltd inclusive of its registered office.
- (c) "**Key Managerial Personnel**" means key managerial personnel as defined in sub-section(51) of section 2 of the Companies Act, 2013;
- (d) "**Policy**" shall mean this Policy on the criteria for determining Materiality of events or information and as amended from time to time.
- (e) "**Regulations**" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- (f) "**Schedule**" means a schedule annexed to these Regulations.

Any other term not defined here in shall have the same meaning as defined in the Companies Act, 2013, Regulations or any other applicable law or Regulations to the extent applicable to the Company.

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➤ **POLICY**

CRITERIA FOR DETERMINATION OF MATERIALITY:

- The events specified in PARA A of PART A of SCHEDULE III are deemed to be material events and (refer **ANNEXURE-1**) shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30).
- The events specified in PARA B of PART A of SCHEDULE III (refer **ANNEXURE-2**) shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation 30. Pursuant to which, the following criteria should be considered for determination of materiality of event/information:
 - ✓ The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
 - ✓ 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;
 - ✓ 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 Company, the event / information is considered material.

➤ **DISCLOSURES**

- The Company shall timely disclose the occurrence of all events and information as specified herein to the Stock Exchange not later than twenty four hours from the occurrence of event or information in the following manner
 - ❖ Inform the stock exchanges on which the securities of the Company are listed; S
 - ❖ Upload on the corporate website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the 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 the timelines specified there in of the conclusion of the board meeting.

- The Company shall, with respect to disclosures referred to in the regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the regulation, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the standards of the Company, as disclosed on its website.
- The Company shall provide specific and adequate reply to all queries raised by stock

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exchange(s) with respect to any events or information:

- The Company will on its own initiative also, confirm or deny any reported event or information to stock exchange(s), in case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it.

➤ **AUTHORIZATION TO ONE OR MORE KEY MANAGERIAL PERSONNEL FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE(S) AS WELL AS ON THE COMPANY'S WEBSITE UNDER THE REGULATION.**

The Board of the Company has severally authorized Chairman and Managing Director, Whole Time Director, Chief Financial Officer and Company Secretary and Compliance Officer of the Company for the purpose of determining materiality of an event or information and making disclosures in that regard.

The contact details of aforesaid Key Managerial Persons are provided hereunder:

- Chairman and Managing Director,
E-mail: cs@baidgroup.in, contact no. +919214018877
- Whole Time Director,
E-mail: cs@baidgroup.in, contact no. +919214018877
- Chief Financial Officer,
E-mail: cs@baidgroup.in, contact no. +919214018877
- Company Secretary and Compliance Officer,
E-mail: cs@baidgroup.in, contact no. +919214018877

➤ **COMMUNICATION OF THIS POLICY**

Communication of this Policy for all new Employees and Directors, a copy of this Policy shall be handed over as a part of the joining documentation, along with other policies. For all existing Employees and Directors, a copy of this Policy shall be handed over within one month of the adoption of this Policy by the Board of Directors of the Company. This Policy shall also be posted on the web-site of the Company.

➤ **AMENDMENTS IN THE POLICY**

The Board of Directors are authorized to make modifications/amendments to this policy in consonance to the provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015 and any amendment thereto and the decision of the Board in this respect shall be final and binding.

- Any subsequent amendment/modification in the Regulation and/or other

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applicable laws in this regard shall automatically apply to this policy.

ANNEXURE-1

Disclosure of events and information as specified in Para A of Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements), 2015.

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 Company 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 Ratings(s).
4. Outcome of Meetings the board of directors. The company shall disclose to the Exchange(s), within 30 minutes of the closure of any 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 a dividend with reasons therefore;
 - 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 of reserves 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 which may be to subscribed to;
 - g. Short particulars of any other alterations of capital ,including calls;

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- 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.
- 6. Fraud/defaults by promoter or key managerial personnel or by Company 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.
 - ✓ In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
 - ✓ Resignation of Independent Director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
 - Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges. The independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
 - The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.
- 8. Appointment or discontinuation of share transfer agent.
- 9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
 - Decision to initiate resolution of loans/ borrowings;
 - Signing of Inter-Creditors Agreement (ICA) by lenders; Finalization of Resolution Plan
 - Implementation of Resolution Plan;
 - Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders;
- 10. One time settlement with a bank.
- 11. Reference to BIFR an winding- up petit on filed by any party/creditors.
- 12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture

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- holders or creditors or any class of them or advertised in the media by the Company.
13. Proceedings of Annual and extra ordinary general meetings of the Company.
 14. Amendments to memorandum and articles of association of Company, in brief.
 15. Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.

➤ **Explanation :**

- a) For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means;
- b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner;
 - The presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
 - The transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls;The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.

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

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- l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - Pre and Post net worth of the company
 - Details of assets of the company post CIRP
 - Details of securities continuing to be imposed on the companies' assets
 - Other material liabilities imposed on the company
 - Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities
 - Details of funds infused in the company creditors paid off
 - Additional liability on the incoming investors due to the transaction, source of such funding etc.
 - Impact on the investor revised P/E, RONW ratios etc.
 - Names of the new promoters, key managerial persons(s) if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control
 - Brief description of business strategy
- 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.

❖ 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 secrets, including details such as:

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- I. Pre and Post net-worth of the company
- II. Details of assets of the company post CIRP;
- III. Details of securities continuing to be imposed on the company's assets;
- IV. Other material liabilities imposed on the company;
- V. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
- VI. Details of funds infused in the company, creditors paid off;
- VII. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
- VIII. Impact on the investor—revised P/E, RONW ratios etc.;
- IX. Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
- X. Brief description of business strategy;

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.

❖ Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:

- The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- Final forensic audit report (other than for forensic audit initiated by regulatory /enforcement agencies) on receipt by the listed entity along with comments of the management, if any;

17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:

a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;

b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any

ANNEXURE-2

Disclosure of events and information as specified in Para B of Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements), 2015.

Events which shall be disclosed upon application of the guidelines for materiality referred sub regulation (4) of regulation (30):

- Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
- 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 piece meal);
- Capacity addition or product launch:
- Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- 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.
- 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.
- Effect(s) arising out of change in the regulatory framework applicable to the Company.
- Litigation(s)/dispute(s)/regulatory action(s) with impact.
- Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.
- Options to purchase securities including any ESOP/ESPS Scheme.
- Giving of guarantees or indemnity or becoming a surety for any third party.
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals. Etc.

Proposed by:	
Name	Signature
Mr. Diwakar Jain, Company Secretary and Compliance Officer	
Reviewed by:	
Mr. Aman Baid, Whole Time Director	
Approving Authority	Board of Directors
Date of Approval/ Review	June 22, 2021

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