

POLICY FOR DETERMINATION OF MATERIALITY OF INFORMATION OR EVENTS

1. SCOPE AND PURPOSE

In accordance with the provisions of regulation 30 and 51 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, LKP Finance Limited recognizes the need to frame the policy for determination of Materiality of Information or Events. In this regard, the Board of Directors of LKP Finance Limited has adopted the following policy and procedures with regard to determination of Material Information or events.

The Company endeavors to attain high level of transparency, accountability and equity with the ultimate objective of providing maximum customer satisfaction & increasing long term shareholders value keeping in view the needs and interest of all stakeholders. To achieve these objectives, the Company hereby notifies this Policy for Determination of Materiality of Information or Events.

2. APPLICABILITY

This policy shall be applicable to all the events in the Company, as and when they fall under the criteria enumerated in the policy.

3. DEFINITION

- a. "Act" means the Securities and Exchange Board of India Act, 1992, including any statutory modifications or re-enactment thereof.
- b. "Archival Policy" means the Policy of the Company on Preservation of documents / Archival policy.
- c. "Board" means the Board of Directors of LKP Securities Limited.
- d. "Company" means LKP Securities Limited.
- e. "Compliance Officer" means the Company Secretary of the Company
- f. "Key Managerial Personnel" means Key Managerial Personnel as defined in sub- section (51) of Section 2 of the Companies Act, 2013.
- h. "Officer" shall have the same meaning as defined under the Companies Act, 2013.
- i. "Regulation" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactment thereof.
- j. "Subsidiary" means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013.

k. "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

All other words and expressions used and not defined in this Policy or the Regulation, but defined in the Act or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and / or the rules and regulations made there under, shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

4. EVENTS WHICH SHALL BE CONSIDERED DEEMED MATERIAL

The following events/information shall be considered as deemed material:

The events with respect to specified securities, mentioned in Para A of Part A of schedule III of the Regulation [List of the same is enclosed as Annexure A of this Policy] and any subsequent modifications thereto, shall be material events and the Company shall make disclosure of such events.

5. EVENTS WHICH SHALL BE CONSIDERED AS MATERIAL SUBJECT TO APPLICATION OF THE MATERIALITY GUIDELINES

The events with respect to specified securities mentioned in Para B of Part A of Schedule III of the Regulation [List of the same is enclosed as Annexure B of this Policy] and any subsequent modification thereto, shall be disclosed, based on application of following materiality guidelines as specified in Regulation 30(4):

MATERIALITY 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.

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)two percent of turnover, as per the last audited consolidated financial statements of the listed entity; (2)two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative; (3)five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity

lii. In cases where the aforesaid criteria 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.

In certain instances, materiality would depend upon the stage of discussion, negotiation or approval. In that case, the events/information can be said to have occurred upon receipt of approval of the Board and/or upon the receipt of approval of both the Board and the Shareholders.

However, for events where the price sensitivity factor is involved: e.g. - decision on declaration of dividends etc., the disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

In certain instances, where no such discussion, negotiation or approval is involved and based on preliminary information about the events/information, cannot reasonably determine whether information is material, can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

6. DISCLOSURES:

i. The Company shall disclose this policy on its website.

ii. All other events mentioned under Clause 4 and 5 (Please refer Annexure A and B) above shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.

iii. In case the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.

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

v. The Regulation further provides that, the Company shall, with respect to disclosures referred to in Regulation 30, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

vi. All the disclosures made to the Stock Exchange under this Policy shall also be disclosed on the Website of the Company and the same shall be hosted for a minimum period of five years and thereafter as per the preservation of documents and archival policy as adopted by the Company.

vii. The Company shall also disclose all the events or information with respect to its Subsidiaries which are material for the Company.

viii. Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

ix. Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

x. In case where an event occurs or an information is available with the Company, which has not been indicated above, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.

7. AUTHORISATION

The Board of the Company has severally authorized Managing Director, Director and Company Secretary for the purpose of determining the materiality of an event or information and for making disclosures to Stock exchange(s) under Regulation 30.

8. AMENDMENTS TO THE POLICY

The Board shall review and amend this Policy as and when required.

Any subsequent amendment / modification in the Regulation and /or other applicable laws in this regard shall automatically apply to this Policy.

ANNEXURE A

Disclosure of Events or Information as Specified In Para A of Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Events to 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;

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.

5A:- Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity 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 listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations. Explanation: For the purpose of this clause, the term "directly or indirectly" includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.]

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.

7A: or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements: Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations. Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.]

7B:- 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: [The letter of resignation along with]detailed reasons for the resignation as given by the said director [(ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any. ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided. iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the 425[disclosures] as specified in sub-clause (i) 426[and (ii)] above.]

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 by the listed entities within seven days from the date that such resignation comes into effect

7 D- In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).

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. (a) Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

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 secrets, including details such as: (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 companies' 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 personnel], 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

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

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity. Explanation –“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 listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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 pertaining to the actions(s) initiated, taken or orders passed: i. name of the authority; ii. nature and details of the action(s) taken, initiated or order(s) passed; iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority; iv. details of the violation(s)/contravention(s) committed or alleged to be committed; v. impact on financial, operation or other activities of the listed entity, 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 listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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: i. name of the authority; ii. nature and details of the action(s) taken, initiated or order(s) passed; iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority; details of the violation(s)/contravention(s) committed or alleged to be committed; v. 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 of the listed entity under section 131 of the Companies Act, 2013

ANNEXURE B

Disclosure of Events or Information as Specified In Para B of Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority

Disclosure of Events or Information as Specified In Para C and Para D of Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PARA-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.

PARA-D

Without prejudice to the generality of para (A), (B) and (C) of Part A of Schedule III, the listed entity may make disclosures of event/information as specified by SEBI from time to time.