

**POLICY FOR DISCLOSURE**  
**OF MATERIAL EVENTS OR**  
**INFORMATION AND**  
**DISCLOSURE &**  
**DETERMINATION OF**  
**MATERIALITY OF EVENTS**  
**OR INFORMATION**

# RIKHAV SECURITIES LIMITED

## 1. Introduction

The Policy for determination of materiality of events or information ("Policy") for disclosure to the Stock Exchanges is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

The Board of Directors of the listed entity shall authorise one or more Key Managerial personnel for the purpose of determining materiality of an event or information for the purpose of making disclosures.

## 2. Objective

Rikhav Securities Limited being a listed entity, is obligated to comply with the disclosure requirements under the Listing Regulations and is committed to the premise that the all persons investing in the publicly traded securities have equal right to access information that may affect their investment decisions and believes that full and fair disclosure of material information to the public is the cornerstone to the integrity of the Capital Market.

## 3. Definition

- i. **"Act"** shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.
- ii. **"Board of Directors" or "Board"** means the Board of Directors of Rikhav Securities Limited, as constituted from time to time.
- iii. **"Key Managerial Personnel (KMP)"** mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013.
- iv. **"Senior Management (SMP)"** mean Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations.
- v. **"Listing agreement"** shall mean an agreement that is to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015.
- vi. **"Material Event" or "Material Information"** shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 5 of the Policy and Para A of Part A of Schedule III to the Listing Regulations. In the Policy, the words, "material" and "materiality" shall be construed accordingly.
- vii. **"Independent Director"** means a Director of the Company within the meaning of Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.
- viii. **"Policy"** means this Policy for Determination of Materiality as may be amended from time to time.
- ix. **"Key Managerial Personnel or KMP"** means Key Managerial Personnel of the Company and includes Executive Chairman, Managing Director, Whole-Time Director, Chief Executive Officer, Manager, Chief Financial Officer and the Company Secretary, who may be authorized individually or collectively to determine materiality of events or information and disclose to Stock Exchange(s).
- x. **"Regulations I Listing Regulations"** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- xi. **"Schedule"** means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable laws or regulations to the extent applicable to the Company.

## 4. Criteria for determining Materiality of events or information

Rikhav Securities Limited shall consider the following criteria for determination of Materiality of Events/information: -

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- 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; and
- c) In case where the criteria specified in (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.

### 5. Disclosures of events or information

- a) The Company shall make Disclosure, first to the Stock Exchange, of material information, as provided in **Annexure-A**, as soon as reasonably possible and but not later than 24 hours from the occurrence of event or information.

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 delay.

- b) Provided further that disclosure with respect to events specified in **Annexure B** shall be made within thirty (30) minutes of the conclusion of the Board Meeting.
- c) The Company shall make disclosure of events as specified in “**Annexure C**” based on application of guidelines for determining Materiality as per the Policy.
- d) The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- e) The Company shall disclose all events or information with respect to its Material Subsidiaries, (if any),
- f) The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further, it shall confirm or deny any event or information to stock exchange(s) reported in the media.
- g) In case where an event occurs or information is available with the Company, which has not been indicated in *Annexure A or Annexure B or Annexure C* but which may have material effect on it, the Company will make adequate disclosures in regard thereof.
- h) 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.

### Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Listing Regulations, Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over 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.

### Amendment

The Board of Directors may subject to the applicable laws amend any provision or substitute any of the provision with the new provision or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

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## Annexure-A

### Disclosure of Material Events

**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:**

**A. Acquisition (including agreement to acquire):**

- a. name of the target entity, details in brief such as size, turnover etc.;
- b. Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";
- c. industry to which the entity being acquired belongs;
- d. objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);
- e. brief details of any governmental or regulatory approvals required for the acquisition;
- f. indicative time period for completion of the acquisition;
- g. nature of consideration - whether cash consideration or share swap and details of the same;
- h. cost of acquisition or the price at which the shares are acquired;
- i. percentage of shareholding / control acquired and / or number of shares acquired;
- j. brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);

Explanation-

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

- I. acquiring control, whether directly or indirectly; or,
  - a. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
  - b. 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;
  - c. 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.

**B. Amalgamation/ Merger:**

- a. name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;
- b. whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";
- c. area of business of the entity(ies);

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- d. rationale for amalgamation/ merger;
- e. in case of cash consideration – amount or otherwise share exchange ratio;
- f. brief details of change in shareholding pattern (if any) of listed entity.

### C. De-merger:

- a. brief details of the division(s) to be demerged;
- b. turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year;
- c. rationale for demerger;
- d. brief details of change in shareholding pattern (if any) of all entities;
- e. in case of cash consideration – amount or otherwise share exchange ratio;
- f. whether listing would be sought for the resulting entity.

### D. Sale or disposal of unit(s) or division(s) or subsidiary of the listed entity:

- a. the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;
- b. date on which the agreement for sale has been entered into;
- c. the expected date of completion of sale/disposal;
- d. consideration received from such sale/disposal;
- e. brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;
- f. whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- g. additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.

For the purpose of this sub-clause, "slump sale" shall mean the transfer of one or more undertakings, as a result of the sale for a lump sum consideration, without values being assigned to the individual assets and liabilities in such sales.

### E. Other Restructuring:

- a. details and reasons for restructuring;
- b. quantitative and/ or qualitative effect of restructuring
- c. details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring;
- d. brief details of change in shareholding pattern (if any) of all entities.

## 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.

### A. Issuance of securities:

- a. type of securities proposed to be issued (viz. equity shares, convertibles etc.);
- b. type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc.);
- c. total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately);
- d. in case of **preferential issue**, the listed entity shall disclose the following additional details to the stock exchange(s):
  - i. names of the investors;
  - ii. post allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors;
  - iii. in case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument;

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- e. in case of **bonus issue** the listed entity shall disclose the following additional details to the stock exchange(s):
- i. whether bonus is out of free reserves created out of profits or share premium account;
  - ii. bonus ratio;
  - iii. details of share capital - pre and post bonus issue;
  - iv. free reserves and/ or share premium required for implementing the bonus issue;
  - v. free reserves and/ or share premium available for capitalization and the date as on which such balance is available;
  - vi. whether the aforesaid figures are audited;
  - vii. estimated date by which such bonus shares would be credited/dispatched;
- f. in case of issuance of depository receipts (ADR/GDR) or FCCB the listed entity shall disclose following additional details to the stock exchange(s):
- i. name of the stock exchange(s) where ADR/GDR/FCCBs are listed (opening – closing status) / proposed to be listed;
  - ii. proposed no. of equity shares underlying the ADR/GDR or on conversion of FCCBs;
  - iii. proposed date of allotment, tenure, date of maturity and coupon offered, if any of FCCB's;
  - iv. issue price of ADR/GDR/FCCBs (in terms of USD and in INR after considering conversion rate);
  - v. change in terms of FCCBs, if any;
  - vi. details of defaults, if any, by the listed entity in payment.
  - vii. FCCBs & subsequent updates in relation to the default, including the details of the corrective measures undertaken (if any);
- g. in case of issuance of debt securities or other non-convertible securities the listed entity shall disclose following additional details to the stock exchange(s):
- i. size of the issue;
  - ii. whether proposed to be listed? If yes, name of the stock exchange(s);
  - iii. tenure of the instrument - date of allotment and date of maturity;
  - iv. coupon/interest offered, schedule of payment of coupon/interest and principal;
  - v. charge/security, if any, created over the assets;
  - vi. special right/interest/privileges attached to the instrument and changes thereof;
  - vii. delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal;
  - viii. details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any;
  - ix. details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures;
- h. any cancellation or termination of proposal for issuance of securities including reasons thereof.

### **B. Split/consolidation of shares:**

- a. split/consolidation ratio;
- b. rationale behind the split/consolidation;
- c. pre and post share capital – authorized, paid-up and subscribed;
- d. expected time of completion;
- e. class of shares which are consolidated or subdivided;
- f. number of shares of each class pre and post-split or consolidation;
- g. number of shareholders who did not get any shares in consolidation and their pre-consolidation shareholding.

### **C. Buy back of securities:**

- a. number of securities proposed for buyback;
- b. number of securities proposed for buyback as a percentage of existing paid up capital;
- c. buyback price;
- d. actual securities in number and percentage of existing paid up capital bought back;
- e. pre & post shareholding pattern.

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## **D. Any restriction on transferability of securities:**

- a. authority issuing attachment or prohibitory orders;
- b. brief details and reasons for attachment or prohibitory orders;
- c. name of registered holders against whom restriction on transferability has been placed;
- d. total number of securities so affected;
- e. distinctive numbers of such securities if applicable;
- f. period for which order would be applicable (if stated).

## **E. Any action, which will result in alteration of the terms or structure of any existing securities, including, but not limited to:**

- a. forfeiture of shares;
- b. 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;
- c. proposal to issue any class of securities;
- d. alterations of capital, including calls;
- e. change in the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the listed entity.

### **3. Revision in Rating(s)**

The listed entity shall notify the stock exchange(s), the details of any new rating or revision in rating assigned from a credit rating agency to any debt instrument of the listed entity or to any fixed deposit programme or to any scheme or proposal of the listed entity involving mobilization of funds whether in India or abroad. In case of a downward revision in ratings, the listed entity shall also intimate the reasons provided by the rating agency for such downward revision.

### **4. 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:**

- A. name(s) of parties with whom the agreement is entered;
- B. purpose of entering into the agreement;
- C. shareholding, if any, in the entity with whom the agreement is executed;
- D. significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;
- E. whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- F. whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";
- G. in case of issuance of shares to the parties, details of issue price, class of shares issued;
- H. any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;
- I. in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):
  - a. name of parties to the agreement;
  - b. nature of the agreement;
  - c. date of execution of the agreement;
  - d. details of amendment and impact thereof or reasons of termination and impact thereof.

### **5. Fraud/ Defaults by promoter or key managerial personnel or by the listed entity or arrest of key managerial personnel or promoter:**

#### **A. At the time of unearthing of fraud or occurrence of the default / arrest:**

- a. nature of fraud/default/arrest;
- b. estimated impact on the listed entity;
- c. time of occurrence;
- d. person(s) involved;

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- e. estimated amount involved (if any);
- f. whether such fraud/default/arrest has been reported to appropriate authorities.

**B. Subsequently intimate the stock exchange(s) further details regarding the fraud/default/arrest including:**

- a. actual amount involved in the fraud /default (if any);
- b. actual impact of such fraud /default on the listed entity and its financials; and
- c. corrective measures taken by the listed entity on account of such fraud/default.

**6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer:**

- a. reason for change viz. appointment, resignation, removal, death or otherwise;
- b. date of appointment/cessation (as applicable) & term of appointment;
- c. brief profile (in case of appointment);
- d. disclosure of relationships between directors (in case of appointment of a director).

**7. Appointment or discontinuation of share transfer agent:**

- a. reason for appointment or discontinuation;
- b. date on which above would become effective.

**8. Corporate debt restructuring (“CDR”):**

- a. whether CDR is voluntary and reasons for opting or referred by lenders/creditors;
- b. details of the loan to be subjected to restructuring under CDR;
- c. brief details of the CDR proposal (if any);
- d. the following updates to be provided at the time of the execution and at various stages of the implementation of the CDR scheme: -
- e. upon execution of any agreement in relation to the CDR proposal, disclose details such as date of execution, parties to the agreement and principal terms;
  - i. details of final CDR package as approved by RBI and the lenders;
  - ii. lenders involved;
  - iii. brief summary of the CDR scheme including details of the securities, interest payment, repayment schedule,
  - iv. negative and other restrictive covenants.

**9. One time settlement (OTS) with a Bank:**

- a. reasons for opting for OTS;
- b. brief summary of the OTS.

**10. Reference to BIFR and winding-up petition filed by any party / creditors:**

- a. reasons for such a reference/petition;
- b. impact of such reference/petition on listed entity.

**11. 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 and the following:**

- a. date of notice/call letters/resolutions etc.;
- b. brief details viz. agenda (if any) proposed to be taken up, resolution to be passed, manner of approval proposed etc.

**12. Proceedings of annual and extraordinary general meetings of the listed entity and the following details in brief:**

- a. date of the meeting;
- b. brief details of items deliberated and results thereof;
- c. manner of approval proposed for certain items (e-voting etc.).

**13. Amendments to memorandum and articles of association of listed entity, in brief.**



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- 14. Schedule of analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.**

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## Annexure- B

### 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); 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.

The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.

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## Annexure- C

### **Illustrative list of events which shall be disclosed upon application of the guidelines for materiality (Regulation 30 (4)):**

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.

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.