

POLICY

FOR DETERMINATION OF MATERIALITY

OF EVENTS OR INFORMATION

**POLICY FOR DETERMINATION OF MATERIALITY
OF EVENTS OR INFORMATION
(Version 2.0)**

Document Review and Approval

Revision history

	Summary of Change	Prepared By	Reviewed by	Recommended by (Mgt. Com)	Approved by	Ver No.	Effective Date
1	First Release	Basavraj Loni - AVP Legal and Company Secretary	Ketan Merchant - Chief Financial Officer	N.A	Board of Directors	1.0	On listing of securities
2	Second Release	Basavraj Loni - DVP Legal and Company Secretary	Ketan Merchant - Chief Financial Officer	N.A	Board of Directors	2.0	July 28, 2023
3	Third Release	Basavraj Loni - DVP Legal and Company Secretary	Ketan Merchant - Chief Financial Officer	N.A	Board of Directors	3.0	July 31, 2024

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

1. PREFACE

Every Listed Entity to disclose events or information, which shall arise out of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Under the Listing Regulations, every listed entity is required to make disclosures in two scenarios, namely, mandatory disclosure and disclosures upon application of guidelines for materiality. The mandatory disclosures have to be made without application of the guidelines for materiality; while in the later circumstance, the entity to make disclosure of events based on application of the guidelines for materiality, as specified in the Listing Regulations. In this context, the Policy for Determination of Materiality of Events (“Policy”) has been framed by the Board of Directors (“Board”) of Fino Payments Bank Limited (“Bank”) at its meeting held on July 23, 2021 and was further amended by the Board on July 28, 2023.

2. OBJECTIVE

The objective of this Policy is to serve as a guiding charter for the following:

1. to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Bank under the Listing Regulations.
2. to determine the materiality of events/information which require disclosure to the Stock Exchanges where the specified securities of the Bank are listed.
3. to ensure uniformity in the Bank’s approach towards making disclosures of materiality of events/ information.
4. to enable them to take well informed investment decisions with regard to the securities of the Bank.

3. DEFINITIONS

“**Relevant Employees**” shall encompass the head of the departments of the Bank and one level below such head of departments and shall include employees of the Bank who deals with or comes into possession of potential material event or information in the course of the performance of his/her duties.

The words and expressions used but not defined herein shall have the same meaning as assigned to those words and expressions under the Listing Regulations. If any words and expressions is/are not defined in the Listing Regulations such words and expressions shall have the same meaning as assigned to those words and expressions under the Companies Act, 2013, the Securities Contracts (Regulations) Act, 1956 or any other applicable laws or regulations, as the case may be.

4. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION INCLUDING THRESHOLDS

- I. All events/information stated in Para A of Part A of Schedule III to the Listing Regulations as specified in **Annexure I** are deemed to be material.

The Bank shall consider the following criteria for determination of materiality of event/ information specified in **Annexure II** to this policy as and when they occur.

- II. Where the omission of an event/ information, is likely to result in:
- a. discontinuity or alteration of event/ information already available publicly; or
 - b. a significant market reaction if the said omission came to light at a later date.
 - c. whose value or the expected impact in terms of value, exceeds the lower of the following, will be deemed to be material
 - 1) **two percent (2%) of turnover, as per the last audited consolidated financial statements of the Bank;**
 - 2) **two percent (2%) of net worth, as per the last audited consolidated financial statements of the Bank, except in case the arithmetic value of the net worth is negative;**
 - 3) **five percent (5%) of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Bank;**
 - d. In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Bank, the event or information is considered material
- III. In addition to above quantitative criteria the following Qualitative factors shall also be considered while determination of materiality of event/ information:
- a. Any event/ information which directly or indirectly may materially affect the reputation of the Bank; or
 - b. Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
 - c. Whether the event/ information is in the normal course of business or not; or
 - d. Whether the event/ information represents a significant shift in strategy; or
 - e. Any other factor which is pertinent in the opinion of the Authorized Officer of the Company.

The Bank shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in Para B, Para C of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality as prescribed above.

Table A

Event or information related to	Events / Information enlisted in	Parameters to be applied for determining materiality
Bank	Para A of Schedule III	Deemed material.
Bank	Para B of Schedule III (Annexure I)	Factors prescribed in Clause II.
Bank	Items other than Para A & Para B	Factors prescribed in Clause IIc and Clause III.

Subsidiary of Bank	Para A of Schedule III	Factors prescribed in Clause II or Clause III.
Subsidiary of Bank	Para B of Schedule III (Annexure I)	Factors prescribed in Clause IIc.

5. MECHANISM TO BE ADOPTED FOR IDENTIFYING AND REPORTING POTENTIAL MATERIAL EVENT/INFORMATION BY RELEVANT EMPLOYEES.

- a. During performance of one's role, the Relevant employee/(s) shall be responsible for identifying pertinent events/information as mentioned in Annexure I & II which has potential to be classified as material events/information as per the policy.

Explanation: For the purpose of determination of material events/ information, the value or expected impact in terms of value for each event or transaction shall be compared with the quantitative threshold as mentioned in sub-clause II & III of clause 4 specified in this policy.

- b. Upon identification of potential material events/information the employees of the Bank shall on any event purported to be reportable under Regulation 30 of the Listing Regulations (as indicated in Annexure I & Annexure II) shall immediately inform respective Head of Department (HoD) with adequate supporting data/information and subsequently HoD shall inform the Managing Director/Chief Financial Officer or Company Secretary ("**Authorized Key Managerial Personnel/Officers**") of the Bank on an immediate basis with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Listing Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation by Chief Financial Officer & Company Secretary.

Mode of Communication: The aforesaid details can be submitted to the authorized Officers by the Relevant Employee using written communication methods such as emails, internal memos, or any other appropriate means.

The details so submitted shall be authentic and comprehensive to enable the Authorised Officers to make informed decision/ take appropriate actions. The Relevant Employees should exercise necessary diligence to ensure confidentiality of the details being submitted/so submitted to the Authorised Officers.

The Relevant Employees may approach the Authorised Officers for seeking guidance/clarity to ensure effective implementation of this policy.

The Company Secretary/ Compliance Officer of the Company may conduct periodic trainings/sensitization programmes and/or release FAQs, referendum, framework to further assist relevant employees for effective implementation of this policy.

- c. The Managing Director, Chief Financial Officer and Company Secretary of the Bank shall jointly or severally be responsible and authorized for ascertaining the materiality of events/Information in terms of this policy and make appropriate disclosures to stock exchanges in accordance with the Listing Regulations.
- d. Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.

6. CONTACT DETAILS OF THE KEY MANAGERIAL PERSONNEL/OFFICERS AUTHORIZED FOR DETERMINING MATERIALITY OF PARTICULAR EVENT/ INFORMATION AND FOR MAKING DISCLOSURE TO STOCK EXCHANGES

Name of the KMP/ Officers	Designation	Contact details
Mr. Rishi Gupta	Managing Director & CEO	Fino Payments Bank Limited MindSpace Juinagar, Plot No. Gen 2/1/F, Tower 1, 8th Floor, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai - 400 706 Email id: cs@finobank.com Tel: +91 022 7104 7000
Mr. Ketan Merchant	Chief Financial Officer	
Mr. Basavraj Loni	Company Secretary	

7. AMENDMENT

Any amendments to this Policy or replacement of this Policy entirely with a new Policy shall be approved by the Board of Directors. This Policy may be amended from time to time based on changing requirements as prescribed by the SEBI/Stock Exchange(s) or any other appropriate statutory authority.

Annexure I

Material events/ information to be mandatorily disclosed to the stock exchange(s)

Following is the List of events/information as specified under Para A of Part A of Schedule III of the Listing Regulations:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation:

(1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-

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

(ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, 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-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or

(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.

(2) - For the purpose of this sub-paragraph, “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.

(3) - For the purpose of this sub-paragraph, “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).

Explanation: The above requirement to disclose rating shall also be applicable to the following:

a) Revision in rating even if it was not requested for by the listed entity or the request was later withdrawn by the listed entity.

b) Revision in rating outlook even without revision in rating score.

c) ESG ratings by registered ESG Rating Providers

4. Outcome of Meetings of the board of directors: The Company 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 Company 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 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.

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.

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 (1): 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.

Explanation (2) - For the purpose of this sub-paragraph, “Normal course of Business” shall mean all those transactions, events, and activities that satisfy the below attributes:

- i. Transactions that are in consonance with current business operations of the Company.*
- ii. The transactions, events, or activities are conducted on a frequent or recurring basis as a part of regular operations.*
- iii. The terms of the transactions, events, or activities are comparable to those that would be applicable to transactions or activities with other independent parties such that these transactions are conducted at arm's length.*

Note (1): Giving guarantees, security, letter of credit or any other thing, by whatever name called, to any entity other than wholly owned subsidiary/Subsidiary/associate company would not be considered as a normal course of Business.

Note (2): Entering into any non-compete arrangement which could disallow the listed entity to perform any business, would not be considered as normal course of business.

6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad:

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.

7A. 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.

- 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:
- a) 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.
 - b) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - c) 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 a. 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.
- 7D. 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. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
- (i) Decision to initiate resolution of loans/borrowings;
 - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
 - (iii) Finalization of Resolution Plan;
 - (iv) Implementation of Resolution Plan;
 - (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
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 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.
16. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code
17. Initiation of Forensic audit.
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;
- 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.

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 -II

Events which shall be disclosed upon application of materiality thresholds as set out above:

Following is the List of events/information as specified under Para B and C of Part A of Schedule III of the Listing Regulations

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the Bank:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operation of any unit, division or subsidiary (in entirety or in 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.

Explanation (1): For orders and contracts referred above "Normal course of Business" shall mean all those transactions that satisfy the below attributes:

- i. Transactions that are in consonance with current business operations of the Bank.*
- ii. The transactions are conducted on a frequent or recurring basis as a part of regular operations.*
- iii. The terms of the transactions are comparable to those that would be applicable to transactions or activities with other independent parties such that these transactions are conducted at arm's length.*

5. Agreements (viz. loan agreement(s) 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.

Explanation (1): For orders and contracts referred above "Normal course of Business" shall mean all those transactions that satisfy the below attributes:

- i. Transactions that are in consonance with current business operations of the Bank.*
- ii. The transactions are conducted on a frequent or recurring basis as a part of regular operations.*
- iii. The terms of the transactions are comparable to those that would be applicable to transactions or activities with other independent parties such that these transactions are conducted at arm's length.*

Note: Giving guarantees, security, letter of credit or any other thing, by whatever name called, to any entity other than wholly owned subsidiary/Subsidiary/associate company would not be considered as a normal course of Business.

6. Disruption of operations of any one or more units or division of the Bank 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 Bank.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Bank.
9. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
10. Frauds or defaults by employees of the Bank which has or may have an impact on the Bank.
11. Options to purchase securities including any ESOP/ESPS Scheme.
12. Giving of guarantees or indemnity or becoming a surety by whatever named called, for any third party.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

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 Bank which may be necessary to enable the holders of securities of the Bank to appraise its position and to avoid the establishment of a false market in such securities.

Explanation: For the purpose of determination of material events/ information, the value or expected impact in terms of value for each event or transaction shall be compared with the quantitative threshold specified in this policy.

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