



**POLICY ON DETERMINATION OF MATERIALITY OF
DISCLOSURES**

FOR

PB FINTECH LIMITED

**(FORMERLY “PB FINTECH PRIVATE LIMITED / ETECHACES MARKETING AND
CONSULTING PRIVATE LIMITED”)**

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1.0	19-Oct-2021	Initial Release	Anand Kumar Pandey – Secretarial	Bhasker Joshi – Company Secretary	Board of Directors – PB Fintech Limited
1.1	10- Feb-2023	Revised	Payal Sharma - Secretarial	Bhasker Joshi – Company Secretary	Board of Directors – PB Fintech Limited

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURES

1. Background:

PB Fintech Limited (formerly known as PB Fintech Private Limited / Etechaces Marketing and Consulting Private Limited) (“the Company”) is committed to being open and transparent with all stakeholders and in disseminating information in a fair and timely manner. The Company’s securities are proposed to be listed on the BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and must comply with the continuous disclosure obligations imposed by the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as “the Listing Regulations”). Regulation 30 of the Listing Regulations mandate listed entities to formulate a Policy for determining materiality of events or information that warrant disclosure to investors. It is in this context that the Policy on Determination of Materiality for disclosures (“Policy”) is being framed and implemented. This policy was originally approved and came into force wef from October 19, 2021.

This policy has been readopted by board on February 10, 2023 and shall be effective from the same date.

2. Definitions:

In this Policy, unless the context otherwise requires:

“Board of Directors” or the “Board” shall mean the Board of Directors of the Company.

“Chief Financial Officer” or “Whole-Time Finance Director” or “Head of Finance”, by whatever name called, shall mean the person heading and discharging the finance function of the listed entity as disclosed by it to the recognised stock exchange(s) in its filing under the Listing regulations.

“Key Managerial Personnel” means Managing Director & CEO, Executive Directors and Company Secretary of the Company.

“Subsidiary” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013; All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder 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

3. Objective of the Policy

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations.
- b. To ensure that the information disclosed by the Company is adequate, timely and transparent.

- c. To ensure that all investors have equal access to important information that may affect their investment decisions.
- d. To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.
- e. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company and avoiding establishment of false market in the securities of the Company.
- f. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.
- g. To determine the principles of materiality based on which the Company shall make disclosures of events or information.

4. Type of Information

The information covered by this Policy shall include "information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions" (hereinafter referred to as "material information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

5. Person responsible for disclosure

The Board of Directors of the Company have authorised the CEO, Whole Time Directors, the Executive Directors, Chief Financial Officer and Company Secretary, who are the Authorized Persons to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. In order to assist the Authorised Persons, the Board has further decided that the CEO, Whole Time Directors and Chief Financial Officer in consultation with the respective Operations/ HOD will decide on the materiality (based on the Criteria for determination of materiality) of the event/ information and on the basis of their guidance/decision, the Authorised Persons would then take a final decision on the disclosure.

In case of in case of any event or information, including the information forming part of Annexure 1 and Annexure 2 to the Policy, CEO, Whole Time Directors & Chief Financial Officer shall forthwith inform any of the Authorized Person(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.

The Authorized Persons will then ascertain the materiality of such event(s) or information based on the above guidelines.

On completion of the assessment, the Authorized Persons shall, if required, make appropriate disclosure(s) to the Stock Exchanges.

The Authorised Persons shall take decisions in this regard with consensus, provided however that where consensus cannot be reached in reasonable time, with regard to urgency of the matter, CEO & Whole Time Directors shall take the final decision.

CEO, Whole Time Directors & Chief Financial Officer shall have the following powers and responsibilities, jointly and severally, for determining the material events or information and keeping the Authorised Officers informed accordingly:

- a. To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point of time
- b. To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
- c. To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/ closed, with relevant explanations
- d. To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.

6. Guidelines for Assessing Materiality

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

- A. Event or information that is to be disclosed without any application of the guidelines for materiality are specified in Annexure 1 to this Policy. (As specified in Para A of Part A of Schedule III of the Listing Regulations.)
- B. Event or information that is to be disclosed based on materiality principle are specified in Annexure 2 to this Policy. (As specified in Para B of Part A of Schedule III of the listing Regulations.)

The following criteria will be applicable for determination of materiality of the event or information:

- (i) **Quantitative Criteria** calculated based on audited financial statements of the last financial year, would mean event/ information where the value involved or the impact:
 - exceeds 10 percent of the gross turnover, or
 - exceeds 10 percent of the net worthwhichever is lower
- (ii) **Qualitative Criteria** includes the following:
 1. The omission of an event or information which is likely to:
 - result in a discontinuity or alteration of an event already available publicly; or

- result in significant market reaction if the said omission came to light at a later date;
2. Any other event/information which is considered material in the opinion of the Board of Directors of the Company.
- (iii) As specified in Para C of Part A of Schedule III of the Regulations, the Company shall promptly disclose 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 financial statements of the Company and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.
- (iv) The Company shall make disclosure of any events/information as may be specified by SEBI from time to time.

7. Guidelines on Timing of an Event or Information

The Company may be confronted with the question as to when an event/information can be said to have occurred. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., and the answer to the above question would depend upon the timing when the Company became aware of the event/information. In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval. In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.

8. Policy Review

The Authorized Persons may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors.

Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

Any amendments to the Listing Obligations shall *mutatis mutandis* be deemed to have been incorporated in this Policy.

9. Website

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the archival policy of the Company.

10. Contact details

Questions or clarifications about the policy or disclosures made by the Company should be referred to the Company Secretary and Compliance Officer, who is in charge of administering, enforcing and updating this policy to the following address.

PB Fintech Limited
Plot NO. 119, Sector-44,
Gurugram-122001, Haryana
E-mail: complianceofficer@pbfintech.in

Contact details of key managerial personnel who are authorized for the purpose of determining materiality of an event or information and for the purpose of making disclosures under Regulation 30 of the SEBI (LODR) Regulations, 2015 to Stock Exchanges:

Bhasker Joshi
Company Secretary and Compliance Officer
PB Fintech Limited
Plot NO. 119, Sector-44,
Gurugram-122001, Haryana
E-mail: complianceofficer@pbfintech.in
Ph.: 0124-4562900

Annexure 1

Events or Information that are to be disclosed WITHOUT application of Materiality Guidelines listed in the Policy:

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.

6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One-time settlement with a bank.
11. Reference to BIFR and winding-up petition filed by any party / creditors.
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;



Annexure 2

Events or Information that are to be disclosed based on Materiality Guidelines listed in the Policy

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.
