

Policy for Disclosure of Material Events
Keynote Financial Services Limited

(Revised w.e.f. 11th February, 2022)

KEYNOTE FINANCIAL SERVICES LIMITED Policy for Disclosure of Material Events

INTRODUCTION:

Pursuant to regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (listing Regulations, 2015), every listed company shall disclose the Material Events by listed Entity specified under Part A of Schedule III of Listing Regulations.

Accordingly the Board of Directors (the Board) has adopted the revised policy in its meeting held on 11th February, 2022 and it will be effective from same day.

Policy of disclosure of Material Events:

- a. The listing Regulations divide the events that needed to be disclosed broadly in two Categories:
 - a) The events that have to be necessarily disclosed without applying any test of materiality are indicated in Para A of Part A of Schedule III of Listing Regulations. *(Enclosed Annexure I)*
 - b) Para B of Part A of Schedule III indicates the events that should be disclosed by listed entity, if considered material. *(Enclosed Annexure II)*
- b. As per Regulation 30 (3) of Listing Regulations, the Company shall make disclosure of events specified in Para B, based on application of guidelines for materiality, as specified in Regulation 30(4) as follows:
 - 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 later date;
 - c) In case where criteria specified in sub clause (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 listed entity, the event/information is considered material.
- c. This policy shall be placed on the website of the company.

Annexure I

A. Events Which shall be disclosed without any application of the guidelines for materiality as specified in sub regulation (4) of regulation (30):

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/merger/demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation: For 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 percent or more of the shares or voting rights in the said company or*
 - (b) *There has been change in holding from last disclosure made under sub clause (a) of clause (ii) of the Explanation to the sub-para and such changes exceeds two percent 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 restrictions on transferability of securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of Securities etc.

3. Revision in Rating(s)

4. Outcome of Meeting of Board of Directors.

- (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;

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- (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).

In case of Board Meetings held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

5. Agreements (viz. Shareholder agreement(s) joint venture agreement(s), family settlement agreement(s)(to the extent that it impacts management and control of the listed entity), agreements(s)/treaty(ies)/contracts with media companies) which are amendment(s) and termination (s) thereof.
6. Fraud/defaults by promoter or key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.)
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 - 7A. In case of resignation of the auditor of the listed company, detailed reasons for resignation, as given by the said auditor shall be disclosed by the listed company 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. The listed company shall within seven days from the date of resignation, make following disclosures to the stock exchanges:
 - i. The letter of resignation along with detailed reasons for the resignation of independent directors given by the director. *Names of the listed companies 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 are no other material reasons other than those provided.
 - iii. The confirmation as above shall also be disclosed by the company to stock exchanges along with detailed reasons as specified in sub-clause (i) and (ii).

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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:
 1. Decision to initiate resolution for loans/ borrowings;
 2. Signing of Inter-Creditors Agreement (ICA) by lenders;
 3. Finalization of Resolution Plan;
 4. Implementation of Resolution Plan;
 5. Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by the lenders.
10. One time settlement with 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 listed entity.
13. Proceedings of Annual General Meeting and Extra ordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. a) Schedule of analysts or institutional investors meet and presentations made by the listed company to analysts or institutional investors.

Explanation: For the purpose of above clause, 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:

i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;

ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.

The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary w.e.f. 1st April, 2021 and mandatory w.e.f. 1st April, 2022.

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable
 - d) Public announcement made pursuant to order passed by the Tribunal under Section 13 of Insolvency Code;
 - e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2) (c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - f) Appointment/ Replacement of the Resolution Professional;
 - g) Prior or post-facto intimation of the meetings of Committee of Creditors;
 - h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - i) Number of resolution plans received by Resolution Professional;
 - j) Filing of resolution plan with the Tribunal;
 - k) Approval of resolution plan by the Tribunal or rejection, if applicable;
 - 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;

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- 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 person(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - x) Brief description of business strategy.
- m) Any other material information not involving commercial secrets.
 - n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
 - o) Quarterly disclosure of the status of achieving the MPS;
 - p) The details as to the delisting plans, if any approved in the resolution plan.
17. Intimation 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 the listed company:
- a) The fact of initiation of forensic audit along-with name of the company 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 company along with comments of the management, if any.

Annexure II

B. Events which shall be disclosed upon application of 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 unit/division (entirety or piecemeal).
3. Capacity addition or production launch.
4. Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in normal course of business.
5. Agreements (viz. Loan Agreements(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 of 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 action(s) with impact.
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 a third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

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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 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.

D. Without prejudice to the generality of para (A), (B) and (C) above, the company may make disclosures of event/ information as specified by the Board from time to time.
