

**POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION****I. BACKGROUND**

SEBI has vide its notification dated 2<sup>nd</sup> September, 2015 introduced SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which will be effective from 1<sup>st</sup> December 2015.

As provided in Regulation 30 (3) of the said Regulations, the listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for Materiality as specified in Regulation 30(4). It further provides that the listed entity shall frame a policy for determination of materiality, based on criteria specified in Regulation 30 (3), duly approved by its board of directors, which shall be disclosed on its website.

**II. OBJECTIVE**

Gujarat Lease Financing Limited has adopted this Policy on Materiality of Events or information (the "Policy") to determine the materiality of events or information and to set forth the threshold against those Events or Information for disclosure to stock exchange in accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. <sup>1</sup>

The Policy shall be effective from 1<sup>st</sup> December 2015.

**III. DEFINITIONS & INTERPRETATIONS**

In this Policy, unless the context otherwise requires:

- (a) "Act" means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- (b) "Board" shall mean the Board of Directors of Gujarat Lease Financing Limited .
- (c) "Company" shall mean Gujarat Lease Financing Limited.

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<sup>1</sup> The Policy has been prepared in accordance with the applicable provisions of Listing Regulations and Companies Act, 2013 and rules made thereunder. Any subsequent amendment/modification in this regards under any of the provisions shall automatically apply to this Policy.

- (d) "Events or Information" means events or information as prescribed under Para B of Part A of SCHEDULE III to the Listing Regulations.
- (e) "Listing Regulations" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- (f) "Other Information" means as prescribed under Para C of Part A of SCHEDULE III to the Listing Regulations.
- (g) "SEBI Regulations" would include all the acts, regulations, circular, notifications etc. issued by the Securities Exchange Board of India from time to time.
- (h) "Stock Exchange" means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 on which Equity shares of the Company are listed.
- (i) "Subsidiary" shall mean a company shall be considered as Subsidiary if it falls within the criteria defined under Section 2(87) of the Act.

Any word used in this policy but not defined herein shall have the same meaning ascribed to it in the Act, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company. In case of any dispute or differences between this Policy and provisions of Act / Listing Regulation, the latter shall apply.

#### **IV. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

The following criteria, as per Regulation 30(4)(i) of the Listing Regulations, shall be considered based on which materiality of Events or Information will be determined:

- (a) Event or Information, the omission of which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) Event or Information, the omission of which is likely to result in significant market reaction if the said omission came to light at a later date;
- (c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an Event or Information, which in the opinion of the Board is considered material.

**V. MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION**

Keeping in view the criteria for determination of materiality of Events or Information as mentioned in Clause IV above, materiality threshold has been defined as follows for Events or Information specified in Para B of Part A of Schedule III to the Listing regulations.

'Such Events or Information shall be considered material:

- where the value involved in it exceeds 10% of the paid up capital of the Company.

**VI. DETERMINATION OF OTHER INFORMATION WHICH IS MATERIAL**

Company Secretary or Chief Executive Officer or Chief Financial Officer of the Company, in consultation with Director-in-Charge of the Company is authorised to take a view on the materiality of Other Information 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 listed entity to appraise its position and to avoid the establishment of a false market in such securities.

**VII. MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION OR OTHER INFORMATION OF SUBSIDIARIES OF THE COMPANY**

In case the Events or Information relates to the Subsidiary of the Company, the materiality threshold should be determined as defined in Clause V of the Policy . In case of Other Information, the Chief Executive Officer or Company Secretary or Chief Financial Officer of the Company, in consultation with Director-in-Charge of the Company is authorised to take a view on the materiality of such Other Information that qualifies for disclosure.

**VIII. GENERAL**

(a) The Director-in Charge of the Company is authorised to take a view on whether the Events or Information falls within the materiality threshold as mentioned

under Para V of this Policy which qualifies for disclosure under Regulation 30(5) of the Listing Regulations.

(b) Chief Executive Officer or Company Secretary or Chief Financial Officer of the Company, in consultation with Director-in-Charge of the Company may, at his option, also disclose to the Stock Exchanges the Events or Information, which is below the materiality threshold as defined in Clause V of the Policy.

(c) This Policy shall be disclosed on the website of the Company [www.gujaratleasefinancing.co.in](http://www.gujaratleasefinancing.co.in)

(d) The Director-in-Charge of the Company is authorized to make such changes to the Policy:

- (i) as are not changing the substance of the said Policy, or
- (ii) as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out and/or implementing the said Policy

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