

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS FOR DISCLOSURE TO STOCK EXCHANGES

BACKGROUND

Corporate governance is often looked upon as a means to measure how well companies are managed by the promoters. Investors use corporate governance as an indicator to judge the quality of a company's management and the effectiveness of its Board.

Corporate governance goes far beyond the provisions of company law and SEBI regulations. The quantity, quality and frequency of financial and managerial disclosure, the extent to which the board of directors exercise their fiduciary responsibilities towards shareholders, the quality of information that management shares with the Board, and the commitment to run transparent companies that maximise long term shareholder value. Instead, these evolve due to the catalytic role played by the more progressive elements within the corporate sector and, thus, enhance corporate transparency and responsibility.

To associate ourselves with the investor awareness and a sustainable governance framework, as a whole, is the sole priority of Bharat FIH Limited (the "Company"). This policy is adopted to remain open and transparent with all the stakeholders for dissemination of information in a fairly and timely manner in consonance with our spirit and intent.

1. EFFECTIVE DATE

The Board at its meeting held on December 14, 2021 has approved and adopted the Policy. The Policy shall become effective from date of listing and the commencement of trading of the Equity Shares of the Company on the stock exchanges.

The Policy shall be as approved and amended by the Board of the Company from time to time.

2. DEFINITIONS

- **"Act"** means the Companies Act, 2013 and the rules made thereunder
- **"Board of Directors"** means the Board of Directors of the Company.
- **"Company"** means Bharat FIH Limited
- **"Key Managerial Personnel" "KMP(s)"** means officers or personnel of the issuer who are members of its core management team (excluding board of directors) and includes members of the management one level below the executive directors of the issuer, functional heads and 'key managerial personnel' as defined under the Act or any other person whom the Company may declare as a key managerial personnel
- **"SEBI Listing Regulations"** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- **"Policy"** means Policy for the Determination of Materiality of Events and Information, as amended from time to time.
- **"SEBI"** means the Securities and Exchange Board of India.
- **"Rules"** means the rules made under the Companies Act, 2013.
- **"Stock Exchange(s)"** means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.

3. PREAMBLE & SCOPE

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI Listing Regulations with respect to disclosure of events and information.

The broad objective of this policy is to:

- Determine materiality of events and/or information relating to the Company;
- Ensure that such information and/or event is adequately and timely disseminated to the Stock Exchanges;
- Ensure that corporate documents and public statements are accurate and do not contain any misrepresentation;
- Protect the confidentiality of material/price sensitive information within the context of the Company's disclosure obligations;
- Provide an overall governance framework for such determination of materiality;
- Ensure uniformity in the company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

This Policy shall be read with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company to lay down the procedures and practical guidelines that would be followed by the Company for the consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive Information.

4. ROLES AND RESPONSIBILITIES FOR DISCLOSURES

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) ("Authorized Person(s)"):

A. Chairman/ Managing Director

B. Chief Financial Officer

C. Company Secretary

The materiality of events outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgement while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

All the senior management of the Company shall provide any event / information which may possibly be material or of which they are unsure as to its materiality.

The Authorised Person is empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as he/she may deem fit.

The Authorized Person(s) shall have all the powers and responsibilities to do all such acts for carrying out the objectives of this policy in an effective and transparent manner.

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

Mr. Ramachandran Kunnath

CFO & CS

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5. GUIDELINES FOR DISCLOSURE OF EVENTS/INFORMATION

Qualitative criteria would mean an event/ information:

- (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; or
- (c) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.

- A. Events specified in Annexure A are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than 24 hrs from the occurrence of such events in the following manner:
 - i. Inform the Stock Exchanges in which the securities of the company are listed;
 - ii. Upload on the website of the Company.

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 sub-para 4 of Para A of Part A (reproduced in Annexure A 2 of this Policy) of Schedule III of the SEBI Listing Regulations shall be made within thirty minutes of the conclusion of the Board Meeting.
- C. The Company shall make disclosure of events as specified in Annexure B based on application of guidelines for determining materiality as per Clause 3 of the Policy.
- D. The Company shall, with respect to events/Information specified in Annexure A & B, 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 on its website all such events or information which has been disclosed to stock exchange(s) and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per policy of the Company, as disclosed on its website.
- F. The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.
- G. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.
- H. Provided that the stock exchange(s) shall disseminate information and clarification as soon as reasonably practicable.
- I. The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).
- J. In case where an event occurs or an information is available with the Company, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the Company is required to make adequate disclosures in regard thereto.

6. DISPLAY

The stated KMPs shall be the authorized official to make the disclosures, covered under this Policy and as prescribed under Listing Regulations, to the Stock Exchanges, within the timeframe prescribed. Copy of such intimation shall be simultaneously uploaded on the website of the Company. The intimation shall be archived as per the Company's 'Policy of Preservation of Documents'. The contact details of the Company Secretary shall be provided to the Stock Exchange and shall also be made available on Company's website. The Company shall also disclose all events or information with respect to subsidiaries which are material for the Company.

7. AMENDMENTS

As the Policy is derived from the provisions of the SEBI Listing Regulations and the Act, provisions of this policy shall stand automatically revised to reflect any amendment to the LODR or Companies Act, 2013 from time to time.

8. LIMITATIONS

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

The list of Events in Annexure A, as it stands today may be updated, from time to time, by authorized persons, to reflect any changes to the SEBI Listing Regulations and the updated version be issued and published as necessary, without any requirement for approval from the Audit Committee or the Board.

ANNEXURE A

Events which shall be disclosed without any application of the guidelines for Materiality:

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 Company or any other restructuring.

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

- a. Acquiring control, whether directly or indirectly; or,
 - b. Acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - i. The Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - ii. There has been a change in holding from the last disclosure made under sub- clause (i) of clause (a) 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. 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.
 5. Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
 6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 7. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the Stock Exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.
 8. Resignation of Independent Director including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the Stock Exchanges by the Company:
 - a. The letter of resignation along with detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the Company to the Stock Exchanges.
 - b. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - c. The independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
 - d. The confirmation as provided by the independent director above shall also be disclosed by the Company to the Stock Exchanges along with the detailed reasons as specified in sub-clause (a) above.

9. Appointment or discontinuation of share transfer agent.
10. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
 - a. Decision to initiate resolution of loans/borrowings;
 - b. Signing of Inter-Creditors Agreement (ICA) by lenders;
 - c. Finalization of Resolution Plan;
 - d. Implementation of Resolution Plan;
 - e. Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
11. One-time settlement with a bank.
12. Reference to BIFR and winding-up petition filed by any party/creditors.
13. 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.
14. Proceedings of Annual and extraordinary general meetings of the Company.
15. Amendments to memorandum and articles of association of Company, in brief
16. A) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

Explanation: For the purpose of this 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 with effect from April 1, 2021 and mandatory with effect from April 01, 2022.

17. The following events in relation to the corporate insolvency resolution process ("**CIRP**") of a listed corporate debtor under the Insolvency and Bankruptcy Code, 2016 ("**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;
 - 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 persons(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;
 - xi. Any other material information not involving commercial secrets;
 - xii. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
 - xiii. Quarterly disclosure of the status of achieving the MPS;
 - xiv. The details as to the delisting plans, if any approved in the resolution plan.
18. Initiation 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 Company:
- a. The fact of initiation of forensic audit along-with name of entity 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 entity along with comments of the management, if any.

ANNEXURE A 2

Events which shall be disclosed within 30 minutes of the closure of the meeting of the board of directors:

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:

- i. 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;
- ii. Any cancellation of dividend with reasons thereof;
- iii. The decision on buyback of securities;
- iv. The decision with respect to fund raising proposed to be undertaken
- v. Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- vi. 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;
- vii. Short particulars of any other alterations of capital, including calls;
- viii. Financial results;
- ix. Decision on voluntary delisting by the Company 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.

ANNEXURE B

Events which shall be disclosed upon application of the guidelines for materiality:

- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
- ii. 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);
- iii. Capacity addition or product launch;
- iv. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/ contracts not in the normal course of business;
- v. 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;
- vi. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
- vii. Effect(s) arising out of change in the regulatory framework applicable to the Company;
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact;
- ix. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
- x. Options to purchase securities including any ESOP/ESPS Scheme;
- xi. Giving of guarantees or indemnity or becoming a surety for any third party;
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
- xiii. 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.

Without prejudice to the generality of Annexure A & B above, the company may make disclosures of event/information as specified by the Board from time to time.