

K Z LEASING AND FINANCE LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS

Introduction

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges, based on the criteria specified in Regulation 30 of the said Regulations and the same is also required to be disclosed on the Company's website.

Objectives

- a) This policy for determination of materiality of events or information (the "Policy") is aimed at providing guidelines to the management of K Z Leasing and Finance Limited (the "Company"), to determine the materiality of events or information, which could affect the investment decisions and ensure timely and adequate dissemination of information to the stock exchange where the Company is listed (the "Stock Exchange").
- b) This Policy has been formulated in accordance with the provisions stipulated under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), with respect to disclosure of events and information.

Definitions

"Act" shall mean the Companies Act, 2013 and the rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“Board of Directors” means the board of directors of the Company, as constituted from time to time.

“Listing Agreement” shall mean an agreement to be entered into between the Stock Exchanges and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015.

“Material Event” or “Material Information” shall mean such event or information as may be determined in the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

Any other term not defined herein shall have the same meaning as defined under the Act, the Listing Agreement, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

Principles for Determination of Materiality

Events / Information shall be considered as Material if it meets any of the appended criteria: (Pursuant to sub-regulation 4 of Regulation 30 & Para B of Part A of Schedule III of the Listing Regulations - Applicable to events / information).

➤ Qualitative Principles for Determination of Materiality -

The Company shall consider the following criteria for determination of Materiality of Event or 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;
- c. in the event where the criteria specified in sub-clauses (a) and (b) of this Clause are not applicable, an event or information may be treated as being material if in the opinion of the Board, the event or information is considered material.

➤ **Quantitative Principles for Determination of Materiality -**

The Company shall consider the following criteria for determination of Materiality of Event or Information:

- a. where the value involved or the impact exceeds 25% of the gross turnover or revenue or total income; or exceeds 25% of the net worth (lower threshold shall be taken as trigger);
- b. the above threshold shall be determined on the basis of audited financial statements of last audited financial year.

If a particular event/information in question satisfies any of the 'Qualitative' or 'Quantitative' criteria, the Company shall be under an obligation to disclose the same to the Stock Exchange.

Provided that any confidential information which if disclosed is likely to put at risk the business interest of the Company shall not be disclosed. The Company to that extent shall make qualified disclosure to the stock exchanges.

Policy

The Board of Directors of the Company shall determine the events which are classified under different categories to be material and / or other events having a bearing on the performance of the Company and on the share prices of the Company, which needs to be disclosed to the stock exchanges as per the time span specified against each category.

Disclosure

- a) The Company shall make disclosure of events specified in Para A of Part A of Schedule III of the Listing Regulations, without applying any test of materiality to the Stock Exchanges within the specified timelines
- b) The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the Listing Regulations, based on determination of Materiality of Events or Information as specified in Clause 5 of this Policy.
- c) The Company shall disclose the information to the Stock Exchanges in accordance with the Listing Regulations and circulars issued by the Securities and Exchange Board of India (the "SEBI") from time to time.

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 of Board of Directors / Committee of Directors, held to consider the following without any application of the guidelines for materiality as specified in sub-regulation (4) of Regulation 30 of LODR:

- 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) short particulars of any other alterations of capital, including calls;
 - vii) financial results;
 - viii) decision on voluntary delisting by the listed entity from stock exchange(s).
- d) Any other event or information namely major development that is likely to affect business, such as emergence of new technologies, any change of accounting policy that may have a significant impact on the accounts and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the shareholders of the Company to appraise its position and to avoid the establishment of a false market in such securities, would be disclosed as advised by the Board from time to time.
- e) The Company shall provide specific and adequate reply to all queries raised by the Stock Exchange with respect to any events or

information and on its own initiative. Further it shall confirm or deny any event or information to the Stock Exchange reported in the media.

Authority to Key Managerial Personnel For Disclosure To Stock Exchanges

The Managing Director; Chief Financial Officer; Company Secretary cum Compliance Officer of the Company shall be authorised for making disclosure to the Stock Exchange.

The contact details of the Company for Policy on Determination of Materiality of Events/ Information & Disclosure Of Material Events / Information pursuant to Clause 30 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for K Z leasing and Finance Limited shall be made available on www.kzgroup.in

Scope and limitations:

In the event any provisions of this Policy are contrary to or inconsistent with the Listing Agreement, the Act, the Listing Regulations or the circulars issued by SEBI in this regard or any other applicable law, this Policy shall stand modified to that extent.

Website Updation / Updates to Stock Exchanges

The Company shall update all disclosures made under the regulations to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention & archival policy of the Company.

Amendment

This Policy is subject to review from time to time. The Board reserves the right to amend or modify this Policy in whole or in part, as may be required, at any point of time, subject to applicable laws.