HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION FOR DISCLOSURE

(Approved by the Board in its 666th meeting held on 29th April, 2024)

1. PREAMBLE

In terms of Regulation 30 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("**SEBI LODR Regulations**"), every listed entity shall make disclosures of any events or information which, in the opinion of the Board of Directors of the listed company, are material.

Regulation 30 (4) (ii) of SEBI LODR Regulations requires framing of a policy for determination of materiality, based on criteria as laid in the Regulations, duly approved by its Board of Directors, which is disclosed on its website.

Accordingly, the Board of Directors (the 'Board') of **Housing and Urban Development Corporation Limited** ('HUDCO or Company') had adopted the policy and procedures as "Policy for Determination of Materiality of Events or Information for Disclosure" (the 'Policy') for disclosure of material events or information to the stock exchanges, which are considered necessary from time to time.

2. PURPOSE

This policy is framed as per requirements of SEBI (LODR) Regulations for timely, adequate and accurate disclosure of information on an ongoing basis by the Company to enable investors to make well-informed investment decisions.

3. INTERPRETATION

Words or Expressions used in this policy shall have same meaning as given under the SEBI (LODR) Regulations or under the Companies Act, 2013. Further, in case of inconsistency between any provision(s) of this policy with any existing policy(ies) of the Company, provisions of Policy for Determination of Materiality of Events or Information will prevail.

4. DISCLOSURE

In terms of Regulation 30 of the SEBI (LODR) Regulations, the events requiring disclosure by the Company are provided as follows:

Annexure-I	**Events which are deemed to be material events and have to be disclosed to the Stock Exchange without application of criteria of materiality as defined in clause 5 of this policy.**
Annexure-II	**Events which are disclosed by the Company on application of criteria for materiality as defined in clause 5 of this policy.**
This Policy shall also apply to the events which are not indicated in **Annexure-I** or **Annexure-II**, but may have a material effect on the company.	

Further, where the Company makes disclosures to the Stock Exchanges as per Annexures referred above, the Company will also disclose material developments, as may be decided by the Competent Authority on a regular basis.

5. TEST OF MATERIALITY

In order to determine whether a particular event / information is material in nature, the following 'quantitative' or 'qualitative' criteria(s) shall be applied:

a) Quantitative Criteria: The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

- **i.** two percent of turnover, as per the last audited consolidated financial statement of the Company.
- **ii.** two percent of net worth, as per the last audited consolidated financial statement of the Company, except in case the arithmetic value of the net worth is negative.
- **iii.** five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statement of the Company.

b) Qualitative Criteria: In absence of quantitative criteria, event shall be considered as material if;

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; **or**
- ii. 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.

In case where the criteria specified hereinabove is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company, the event or information is considered material.

6. COMPETENT AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENT/INFORMATION OR MATERIAL DEVELOPMENT

As required under the Regulation 30 (5) of the SEBI (LODR) Regulations, the Chairman & Managing Director shall be the Competent Authority to decide materiality of an event or information or development for the purpose of making disclosure to the Stock Exchange. If the Chairman & Managing Director is not available, Director (Corporate Planning) and Director (Finance) shall be jointly/severally authorized to decide materiality of an event or information or development for the purpose of making disclosure to the Stock Exchange.

7. HOSTING ON WEBSITE

All the above disclosures will be hosted on the website of the Company for a minimum period of five years.

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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) read with Para – A of Part A of Schedule III SEBI (LODR) Regulations

S.No.	Events	Timeline for disclosure from occurrence of event/information
1.	Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the listed entity or any other restructuring. Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean (i) acquiring control, whether directly or indirectly; or (ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, 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 a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub -regulation (4) of regulation 30. Explanation (2) - For the purpose of this sub-paragraph, "sale or disposal of subsidiary" and "sale of stake in associate company" shall include- (i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary, or an associate company of the listed entity; or (ii) an agreement to sell or sale of shares or voting rights in a	Within 12 hours

	subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30. Explanation (3)- For the purpose of this sub-paragraph, "undertaking" and "substantially the whole of the undertaking" shall have the same meaning as given under section 180 of the Companies Act, 2013.	
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.	Within 12 Hours
3.	New Rating(s) or Revision in Rating(s)	Within 24 hours
4.	Outcome of Meetings of the board of directors. The Listed Entity shall disclose to the Exchange(s), 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).	Within 30 minutes of the closure of the meeting
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	Within 12 hours (for agreements where listed entity is a party); Within 24 hours (for agreements where listed entity is not a party).
5A.	Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Listed Entity or of its holding, subsidiary or associate company, among	Within 12 hours (for agreements where listed entity is a party);

	themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations. Explanation: For the purpose of this clause, the term "directly or indirectly" includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.	Within 24 hours (for agreements where listed entity is not a party).
6.	Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad : For the purpose of this sub-paragraph: (i) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. (ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable. Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days. Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.	Within 24 hours
7.	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and	Within 12 hours (except in case resignation);

	Compliance Officer	
7A.	In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor.	Within 24 hours of receipt of reasons from the auditor
7B.	Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity the following disclosures shall be made to the stock exchanges by the listed entity: (i) The letter of resignation along with detailed reasons for the resignation as given by the said director. (ii) Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any. (iii) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided. (iv) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.	Within 7 days from the date of resignation
7C.	In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities.	Within 7 days from the date that such resignation comes into effect
7D.	In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s)	Within 12 hours
8.	Appointment or discontinuation of share transfer agent	Within 12 hours
9.	Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details: (i) Decision to initiate resolution of loans/borrowings; (ii) Signing of Inter-Creditors Agreement (ICA) by lenders; (iii) Finalization of Resolution Plan; (iv) Implementation of Resolution Plan (v) Salient features, not involving commercial secrets, of	Within 24 hours

	the resolution/ restructuring plan as decided by lenders	
10.	One time settlement with a bank.	Within 24 hours
11.	Winding-up petition filed by any party / creditors	Within 24 hours
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	Within 12 hours
13.	Proceedings of Annual and extraordinary general meetings of the listed entity	Within 12 hours
14.	Amendments to memorandum and articles of association of listed entity, in brief	Within 12 hours
15.	(a) Schedule of analysts or institutional investors meet and presentations made by the listed entity 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.	at least 2 working days in advance (excluding the date of the intimation and the date of the meet)
	(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) Transcripts of such calls	Shall be made available on the website within 5 working days of the conclusion of such calls.
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	Within 24 hours

	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 listed entity; (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 personnel, 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.	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 listed entities: (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.	Within 12 hours (if initiated by the listed entity); Within 24 hours (if initiated by external agency)
18.	Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity. Explanation – "social media intermediaries" shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021	Within 24 hours
19.	Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following: (a) search or seizure; or (b) re-opening of accounts under section 130 of the Companies Act, 2013; or (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed: (i) name of the authority; (ii) nature and details of the action(s) taken, initiated or order(s) passed; (iii) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;	Within 24 hours

	(iv) details of the violation(s)/contravention(s) committed or alleged to be committed; (v) impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	
20.	Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following: (a) suspension; (b) imposition of fine or penalty; (c) settlement of proceedings; (d) debarment; (e) disqualification (f) closure of operations; (g) sanctions imposed; (h) warning or caution; or (i) any other similar action(s) by whatever name called; along with the following details pertaining to the actions(s) initiated, taken or orders passed: (i) name of the authority; (ii) nature and details of the action(s) taken, initiated or order(s) passed; (iii) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority; (iv) details of the violation(s)/contravention(s) committed or alleged to be committed; (v) impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	Within 24 hours
21.	Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013	Within 12 hours

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Annexure-II

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub- regulation (4) of regulation (30) read with Para- B of Part A of Schedule III of the SEBI (LODR)Regulations.

Sl. No	Events	Timeline for disclosure from occurrence of event/information
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division	Within 12 hours
2.	Any of the following events pertaining to the listed entity: (a) arrangements for strategic, technical, manufacturing, or marketing tie up; or (b) adoption of new line(s) of business; or (c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal)	Within 12 hours
3.	Capacity addition or product launch.	Within 12 hours
4.	Awarding, bagging/ receiving, amendment or termination of awarded / bagged orders/contracts not in the normal course of business	Within 24 hours
5.	Agreements (viz. loan agreement(s) 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	Within 12 hours (for agreements where listed entity is a party); Within 24 hours (for agreements where listed entity is not a party).
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	Within 24 hours
7.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity	Within 24 hours
8.	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity	Within 24 hours
9.	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.	Within 24 hours
10.	Options to purchase securities including any ESOP/ESPS Scheme	Within 12 hours
11.	Giving of guarantees or indemnity or becoming a surety, by	Within 12 hours

	whatever named called, for any third party	
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Within 24 hours
13.	Delay or default in the payment of fines, penalties, dues etc to any regulatory, statutory, enforcement or judicial authority	Within 12 hours

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 listed entity 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**	**Within 24 hours**
D.	**Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time**	**Timeline as specified by SEBI.**

Note: If events or information, requiring a disclosure within 12 hours, occur as per the decision taken in Board Meeting, such event or information shall be disclosed within <u>30 minutes</u> from the closure of such Board Meeting.

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