



# DB (International) Stock Brokers Ltd.

- NSE & BSE : CAPITAL MARKET, F&O & CURRENCY SEGMENTS
- MCX ICEX: COMMODITIES
- DEPOSITORY PARTICIPANT: CDSL IPO, MUTUAL FUND & BONDS

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## **POLICY FOR DETERMINATION OF MATERIAL EVENTS OF DB (INTERNATIONAL) STOCK BROKERS LIMITED**

*(Last Amended on: 28<sup>th</sup> July, 2023)*

### **1. 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 Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), with respect to disclosure of material events and information.

In compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 and amendment made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR Amendments”) and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 (“SEBI Disclosure Circular”), this policy for Determination of Materiality of Events And Information (the “Policy”) provides a framework for determining materiality of events and information for the purpose of making disclosure to the Stock Exchanges. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchanges.

The Board shall review, and if found required, may amend this Policy from time to time.

This amended policy is applicable to the Company w.e.f July 28, 2023 as approved by Board of Directors in their meeting.

*All words and expressions used in this Policy, shall have the same meaning as assigned to it under Companies Act, 2013 (“the Act”), the LODR Regulations, the SEBI Act, 1992 (“SEBI Act”) and the Securities Contracts (Regulation) Act, 1956 (“SCRA”) and other applicable provision.*

## **2. OBJECTIVE**

The objective of this Policy is to assist the employees of the Company in identifying potential material events or information in an objective manner that may originate at the ground level which can be promptly escalated and reported to the authorized Key Managerial Personnel or other officers of the Company, as specified in this Policy, for determining the materiality of the said event or information and for making necessary disclosure to the BSE Limited and the National Stock Exchange of India Limited (collectively, the "Stock Exchanges"). All provisions of Regulation 30 read with Schedule III of the LODR Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

## **2. MATERIAL EVENTS AND INFORMATION**

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR Regulations (as applicable from time to time) ("Para A Events") without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

## **3. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY OF EVENTS AND INFORMATION**

The Company shall disclose all such material events or information pertaining to itself or to its subsidiary(ies), specified in Para B of Part A of Schedule III of the LODR Regulations ("Para B Events") subject to application of guidelines for materiality, as set out under the LODR Regulations.

### **GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

**Quantitative criteria** would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

(a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or

(b) 2% (two per cent) of consolidated net worth as per the last audited consolidated financial statements of the Company (except in case the arithmetic value of the net worth is negative)); or

(c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

**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.

#### **4. GUIDANCE ON OCCURRENCE OF AN EVENT OR INFORMATION**

1. The occurrence of an event or information shall differ on a case to case basis and would depend on the stage of discussion, negotiation or approval. For example, events like issue of Rights Shares can be said to have occurred on approval of the Board of Directors. Events like declaration of dividend would be deemed to have occurred when the dividend is approved by the Board of Directors and the shareholders. However, considering the price sensitivity involved in events like declaration of dividends, etc., disclosure shall be made on receipt of approval of the Board of Directors, pending Shareholders' approval.
2. For events and information like natural calamities or disruptions, etc. which do not involve any discussion or approval, the date of occurrence would be the date when the Company becomes aware of such events or information or as soon as the officer of the Company has or ought to have reasonably come into possession of such information in the course of performance of his duties. The term 'officer' includes any Director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more Directors is or are accustomed to act and shall also include the promoters of the Company.

## **5. AUTHORITY**

The Company's Key Managerial Personnels shall jointly and/ or severally determine materiality of information/ events and dissemination of the same as covered by this Policy.

The Senior Management Personnel and such other persons, as determined by the aforesaid authorized persons shall be relevant employees for the purpose of this policy, to identify potential event or information pertaining to their functional roles and report the same to the aforesaid Authorized Persons

*Details of the above referred KMPs and officers shall be also disclosed to the Stock Exchange(s) and as well as on the Company's website.*

## **6. DISSEMINATION OF INFORMATION**

This Policy shall be hosted on the website of the Company at <https://www.dbonline.in/AboutUs>.

## **7. DISCLOSURES OF MATERIAL EVENTS AND INFORMATION**

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and in any case not later than the following:

1. For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;
2. For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;
3. For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty four) hours from the occurrence of the event or information.
4. The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved/closed, with relevant explanations.
5. Events and information which have been disclosed to the Stock Exchanges under this Policy shall be placed on the website of the Company and shall be hosted on the website for a minimum period of five years. On expiry of the period of five years, such disclosures shall be dealt with in accordance with the Archival Policy of the Company.
  - a) In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.

b) The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

## **8. REVIEW / AMENDMENT**

The Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the applicable provisions of the Listing Regulations and amendment(s) thereto notified by the Securities and Exchange Board of India and/or the Stock Exchanges, from time to time. However, amendments in the Listing Regulations shall be binding even if not incorporated in this Policy.

## **9. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the LODR Regulations, as amended from time to time, the LODR Regulations shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

## **10. KEY MANAGERIAL PERSONNEL (KMP) FOR DETERMINING MATERIALITY**

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. 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 Persons 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 before disclosing the information to the Stock Exchange(s).

Details of above KMPs shall be also disclosed to the Stock Exchange(s) and as well as on Company's website at <https://www.dbonline.in/Admin/Pdf/236427962Contact%20Details%20of%20person%20for%20determining%20materiality%20of%20events.pdf>

The authorized persons shall ensure that processes are developed which enables employees to identify and report to the authorized persons any material event.