



General Insurance Corporation of India

**POLICY FOR DETERMINATION OF MATERIALITY OF ANY EVENT
OR INFORMATION – 2019 (Ver 2.0)**

GENERAL INSURANCE CORPORATION OF INDIA

**POLICY FOR THE DETERMINATION OF
MATERIALITY OF ANY EVENT OR INFORMATION**

1. Preamble:

In terms of the criteria specified in Regulation 30(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments upto SEBI (LODR) (Sixth Amendment) Regulations, 2018 (the “**SEBI Listing Regulations**”), the General Insurance Corporation of India (the “**Corporation**”) is required to frame a policy for the determination of materiality, which should be duly approved by the Board of Directors of the Corporation. The Policy is required to be disclosed on the website of the Corporation.

In order to comply with the above requirements, the Corporation has formulated this policy for the determination of materiality of any event or information (the “**Policy**”) for disclosure.

2. Criteria for determination of materiality of events/information:

Apart from events provided in paragraph A of Part A of Schedule III that are deemed to be material events under Regulation 30(2), the Corporation shall consider the criteria specified in Regulation 30(4)(i) of the SEBI Listing Regulations, as amended from time to time, for determination of materiality of events specified in paragraph B of Part A of Schedule III of the SEBI Listing Regulations.

3. Disclosure of events or information:

A. The following events/ information specified in paragraph A of Part A of Schedule III of the SEBI Listing Regulations are deemed to be material events and the Corporation shall disclose their occurrence to the Stock Exchange(s) without any application of the guidelines of materiality:

Sr. No.	Events/ Information
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 listed entity or any other restructuring. Explanation:- For the purpose of this sub-paragraph, the word ‘acquisition’ shall mean;- (i) acquiring control, whether directly or indirectly; or (ii) acquiring or agreeing to acquire shares or voting rights in, a company, 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 Corporation, 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 percent of the total shareholding or voting rights in the Corporation.

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.	<p>Outcome of the Meetings of the Board of Directors: The listed entity shall disclose to the Exchange(s), within 30 Minutes of the closure of the meeting, held to consider the following:-</p> <p>(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;</p> <p>(b) any cancellation of dividend with reasons thereof;</p> <p>(c) the decision on buyback of securities;</p> <p>(d) the decision with respect to fund raising proposed to be undertaken;</p> <p>(e) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched.</p> <p>(f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for the 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;</p> <p>(g) short particulars of any other alterations of capital including calls;</p> <p>(h) financial results;</p> <p>(i) decision on voluntary delisting by the listed entity from stock exchange(s)</p>
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.
6.	Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7.	<p>Change in directors, key managerial personnel (Managing Director, Whole time Director, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.</p> <p>i. In case of resignation of the auditor, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.</p> <p>ii. In case of resignation of an independent director, the detailed reason for such resignation shall be made to the stock exchanges, within seven days from the date of resignation, including the detailed reasons as provided by the Independent Director along with a confirmation that there is no other material reasons other than those provided.</p>
8.	Appointment or discontinuation of share transfer agent.
9.	Corporate debt restructuring
10.	One time settlement with a bank.
11.	Reference to BIFR and winding-up petition filed by any party/creditors
12.	Issuances 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.
13.	Proceedings of Annual and extraordinary general meetings of the listed entity
14.	Amendments to memorandum and articles of association of listed entity, in brief

15.	Schedule of Analyst or institutional investor meet and presentations of financial results made by the listed entity to analysts or institutional investors
16.	<p>The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:</p> <ol style="list-style-type: none"> Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default; Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default; Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable; Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code; 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; Appointment/ Replacement of the Resolution Professional; Prior or post-facto intimation of the meetings of Committee of Creditors; 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; Number of resolution plans received by Resolution Professional; Filing of resolution plan with the Tribunal; Approval of resolution plan by the Tribunal or rejection, if applicable; Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified; Any other material information not involving commercial secrets.

b. The following events/ information specified in paragraph B of Part A of Schedule III of the SEBI Listing Regulations upon occurrence and meeting the threshold criteria mentioned below upon which the Corporation shall make disclosure to the Stock Exchange(s) after following the procedural guidelines as given in Point No. 4 of this Policy

Sr. No.	Events/ Information	Threshold Criteria
1.	Commencement or postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Impact exceeding 20% of revenue of the Corporation as per the last audited consolidated financial statements.
2.	<ol style="list-style-type: none"> Change in general character or nature of business brought about by arrangements for strategic, technical, manufacturing or marketing tie-up, adoption of new line of business or closure of operations of any unit/division (entirety or piecemeal). 	<ol style="list-style-type: none"> Impact exceeding 20% of revenue of the Corporation as per the last audited consolidated financial statements for each transaction. Impact exceeding 20% of the revenue of the Corporation as per the last audited consolidated financial statements.
3.	Capacity addition or product launch.	Impact exceeding 20% of revenue of the Corporation as per the last audited consolidated financial statements for each transaction.

4.	Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/ contracts not in the normal course of business.	Award or Contract amount exceeding 5% of revenue of the Corporation as per the last audited consolidated financial statements for each award or contract.
5.	Agreements (viz. loan agreements (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.	Borrowings for a minimum period of 3 years for an amount exceeding 5% of revenue as per the last audited consolidated financial statements for each transaction. All other agreements which are not in normal course of business having a value exceeding 5% of revenue each as per the last audited consolidated financial statements for each agreement which involves a transaction exceeding 5% of revenue.
6.	Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquakes, flood, fire, etc.) force majeure or events such as strikes, lockouts, etc.	(I) Disruption of operations of any business unit due to natural calamity/ force majeure, etc. with estimated impact exceeding 5% of the revenue as per the most recent audited annual financial statements. (ii) In case of strike, lockout, etc., complete closure of any business unit of the Corporation, which contribute more than 5% to the Consolidated revenue of the Corporation as per the latest annual audited financial statements for a continuous period of atleast 15 (Fifteen) days.
7.	Effect(s) arising out of change in the regulatory framework applicable in the listed entity.	Impact of which is more than 5% of the revenue of the Corporation as per the last audited consolidated financial statements arising out of the change in the regulatory framework. Where the impact is 5% or less the Compliance Officer will decide the matter in consultation with the designated Key Managerial Personnel.
8.	Litigation (s)/dispute(s) regulatory action(s) with impact.	Outcome of single litigation / dispute determined by Court of Law (not below High Court) or individual matters with similar cause of action (which shall be aggregated) and regulatory action having an impact of not less than 5% of the revenue of the Corporation as per the last audited consolidated financial statements. No threshold limit on all regulatory

		actions, criminal and environmental matters, and matters resulting from breach of securities laws. However the above materiality parameters will also apply to the directors, promoters and Key Managerial Personnel of the Corporation, except where the litigations is of a purely personal nature and unlikely to affect the involved director's, promoters or Key Managerial Personnel's ability to discharge its responsibilities towards the Corporation. For non-quantifiable matters, the compliance officer shall determine materiality on a case to case basis.
9.	Frauds/defaults etc., by directors (other than key managerial personnel) or employees of listed entity.	Amount exceeding 1% of revenue as per the last audited consolidated financial statements.
10.	Options to purchase securities including any ESOP/ESPS Scheme	No threshold limit.
11.	Giving of guarantees or indemnity or becoming a surety for any third party	Amount per transaction exceeding 5% of revenue of the Corporation as per the last consolidated audited financial statements.
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Granting, Withdrawing, surrender, cancellation or suspension of the key licences or regulatory approvals the impact of which exceeds 5% of revenue of the Company as per the last consolidated audited financial statements.

4. Procedural Guidelines for determination of materiality of events/information:

In order to ensure that the Corporation complies with the disclosure obligations under Regulation 30 of the SEBI Listing Regulations, Deputy General Managers who are responsible for relevant areas of companies operations/functional heads (Responsible officer), must report to Company Secretary any event/information which may possibly be material or of which the responsible officer is unsure as to its materiality. The event/information should be reported immediately after the responsible officer becomes aware of it.

The Board of Directors of the Company have authorised a committee comprising of the Chairman cum Managing Director, the Chief Financial Officer and the Company Secretary of the Company (the “**Authorised Persons**”) to determine Materiality of any event or information and ensure timely disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy. The

Authorised Persons are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

On receipt of communication of potential material event/information, the Authorized Persons will pass this on to the Company Secretary, who will:

- (a) review the event/information and take any steps necessary to verify its accuracy;
- (b) assess whether the event/information is required to be disclosed to the Stock Exchange(s) under the SEBI Listing Regulations; and
- (c) report the matter to the Chairman cum Managing Director that event/information is material and requires disclosure under Regulation 30 of the SEBI Listing Regulations.

When the Authorised Persons are not certain about the materiality of such event/ information, they may seek external legal advice.

5. Procedure to be followed in relation to disclosure or announcement of material event/information:

The following procedures shall be followed for the disclosure or announcement of material event/information:

- (a) Prepare draft disclosure or announcement to the Stock Exchange(s):** If the event/information is material, the Company Secretary will prepare a draft announcement for the Stock Exchanges based on the facts, describing these clearly, and shall obtain the approval of the Key Managerial Personnel (Chairman-cum-Managing Director, Chief Financial Officer, Company Secretary etc.), and Compliance Officer of the Corporation.
- (b) Lodgement of disclosure or announcement:** - The Company Secretary, on behalf of the Corporation, will lodge or arrange for the lodgement of the disclosure or announcement with the stock exchange(s) and simultaneously share this with the Board of Directors.
- (c) Post disclosure or announcement on website:** After lodgement of the disclosure or announcement with the Stock Exchange(s), the Company Secretary will arrange to place it on the website of the Corporation. All the announcements made under this Policy shall be hosted on the website of the Corporation as per the Archival Policy of the Corporation. If any disclosure or announcement is made about an event, any periodic updates to such event would also be intimated promptly, to the extent applicable.
- (d) Periodic updates on the event already disclosed to the stock exchange.** The Company Secretary will arrange to inform the stock exchange(s) all updates on the event or information which are already disclosed to the stock exchanges and the same shall be hosted on the website of the Corporation.

6. Communication of this Policy:

A copy of this Policy shall be handed over to all Responsible Persons and Directors. This Policy shall also be hosted on the website of the Corporation.

7. Amendments to the Policy:

The Policy shall be reviewed periodically by the senior management and amendments effected to subject to approval of the Board if and when practical difficulties are encountered. However all such amendments are subject to the SEBI Listing Regulations and other laws, rules and regulations applicable to the Corporation from time to time.