



LIFE INSURANCE CORPORATION OF INDIA, CENTRAL OFFICE,  
'YOGAKSHEMA', JEEVAN BIMA MARG, MUMBAI- 400021

# **POLICY ON DETERMINATION OF MATERIALITY AND DISCLOSURE OF EVENTS / INFORMATION**

(Framed pursuant to Regulation 30 (4) (ii) of SEBI (LODR) Regulations, 2015)

## **July 2021**

(Revised on 2<sup>nd</sup> December 2021)

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## **1. PREAMBLE**

1.1. LIC of India, ("LIC" or "the Corporation"), a body corporate established under the Life Insurance Corporation Act, 1956 ("LIC Act") is governed by the provisions of the LIC Act, 1956 as amended from time to time. LIC is also bound by the Rules and Regulations, framed under the LIC Act, 1956.

1.2. Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations") mandates disclosure of any events or information which, in the opinion of the Board of Directors of the Corporation (the "Board"), is material. Regulation 30(4)(ii) of the SEBI Listing Regulations requires the Corporation to frame a policy for determination of materiality of events or information for disclosure, based on the criteria specified therein. Accordingly, Life Insurance Corporation of India (the "Corporation") has formulated this policy ("Policy") in relation to determination of materiality of events or information for disclosure.

## **2. DEFINITIONS:**

2.1 "**Corporation**" means Life Insurance Corporation of India established under the LIC Act, 1956

2.2 "**Board of Directors**" or "**Board**" means the collective body of the Directors appointed or nominated or deemed as such under section 4 of the LIC Act, 1956

2.3 "**Chairperson**" means the Chairperson referred to in clause (a) of sub-section (2) of section 4 of the LIC Act, 1956;

2.4 "**Independent Director**" means an independent Director referred to in clause (g) of sub-section (2) of section 4 of the LIC Act, 1956

2.5 "**Key Managerial Personnel**" (**KMP**) strictly for the purpose of this policy shall mean Managing Director in charge of Finance & Accounts Department, Executive Director (Marketing), Company Secretary, Executive Director (Finance), Executive Director (Investment / RMR), Executive Director (INVO), Executive Director (Audit) and Appointed Actuary.

2.6 “**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including subsequent modifications issued to the same from time to time.

2.7 “**Stock Exchange**” means Bombay Stock Exchange Ltd [BSE] and National Stock Exchange of India Ltd [NSE] or any other recognized stock exchanges where the securities of the Corporation are listed.

2.8 “**Managing Director**” Managing Director means a Managing Director referred to in clause (c) of sub-section (2) of Section 4 of The Life Insurance Corporation Act, 1956.

2.9 “**Senior Management**” shall mean officers/personnel of LIC of India who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer/ Managing Director/ Whole Time Directors, i.e., all officials in the cadre of ZM (s), all Zonal Managers-in-charge of zones and officials independently heading functions of the Corporation and shall specifically include Company Secretary and Chief Financial Officer”.

### **3 PURPOSE / OBJECTIVE**

The purpose of the policy is to facilitate the following:

- a. To ensure that the Corporation complies with the disclosure obligations to which it is subject as laid down by the Listing Regulations, various Securities Laws and any other applicable legislations;
- b. To ensure that the information disclosed by Corporation is adequate, timely and transparent;
- c. To ensure that all investors have equal access to important information that may affect their investment decisions;
- d. To protect the confidentiality of Material / Price sensitive information within the context of the Corporation’s disclosure obligations;
- e. To provide a framework that supports and fosters confidence amongst the stakeholders about the quality and integrity of information released by Corporation and avoiding establishment of false market in the securities of the Corporation;
- f. To ensure uniformity in Corporation’s approach to disclosures, raise awareness and reduce the risk of selective disclosures;
- g. To determine the principles of materiality based on which the Corporation shall make disclosures of events or information;

- h. To define the materiality threshold for disclosure of events and information specified in Para B and Para C of part A of Schedule III of the Regulations and help in identification of events and information for disclosure to the stock exchange(s);
- i. To make required disclosures within the stipulated time of actual occurrence of an event or information, after ascertaining facts;
- j. To define events that are not specified in Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 but shall have a material effect on the operations of the Corporation;
- k. To disclose material events or information with respect to the subsidiaries of the Corporation;
- l. To identify such information/events, which is material, in the opinion of the Board.

#### **4 APPLICABILITY AND SCOPE**

This Policy shall be applicable to events and information relating to the Corporation, which are considered material for the purpose of reporting to Stock Exchanges, wherever necessary or required.

This Policy for Determination of Materiality of Events and Information is aimed at providing guidelines to the management of the Corporation to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s).

Regulation 30 of the Regulations provides for disclosure of all deemed material events to the Stock Exchanges.

These events have been specified in Para A of Part A of Schedule III of the SEBI Regulations and shall be disclosed as applicable from time-to-time. These events have been given in Annexure A of this policy.

For disclosure of certain events as specified in Para B and Para C and Para D of Part A of Schedule III to the Stock Exchanges (these events are listed in Annexure B, Annexure C and Annexure D respectively of this policy) the following criteria shall be followed for determining whether the events are material or not:

Where the omission of an event or information, is likely to result in:

- discontinuity or alteration of event or information already available publicly or
- a significant market reaction if the said omission came to light at a later date.

Where it would be difficult to report the events based on qualitative criteria as stated above, the same may be considered material for disclosure, upon meeting other criteria at the discretion of **Materiality Determining Committee**. The Committee for determining

Materiality of events / information which will include the following officials as Members:

1. Managing Director in charge of Finance & Accounts Department, Chairman
2. Executive Director (Marketing), Member
3. Company Secretary, Member
4. Executive Director (Finance), Member
5. Executive Director (Investment/RMR), Member
6. Executive Director (Investment / Operations), Member
7. Executive Director (Audit), Member
8. Appointed Actuary, Member

The Materiality Determining Committee shall review the recommendations by various department and finalise the details to be disclosed. Any confidential information which if disclosed is likely to put at risk, the business interest of the Corporation shall not be disclosed, the Corporation to that extent shall make qualified disclosures to the Stock Exchanges.

This Policy shall also apply to the events to which neither Para A or Para B or Para C or Para D of Part A of Schedule III of SEBI Regulations applies but have a material impact on the Corporation.

## **5 GUIDELINES FOR DISCLOSURE OF THE EVENT/ INFORMATION**

The list of criteria, as specified in Regulation 30(4)(i) read with disclosures specified in Para A (specified in Annexure-A) and Para B (specified in Annexure-B) of Part A of Schedule III, of the said Regulations will assist as guidance for determining the need / requirement for disclosure of events and information to the stock exchanges. In addition, the Corporation may disclose other information/ event as specified in Para C, D of Part A of Schedule III of the SEBI (LODR) Regulations, 2015 (specified in Annexure-C & D).

## **6 GUIDELINES TO DECIDE WHEN EVENT / INFORMATION DEEMED TO HAVE OCCURRED**

6.1 Where any event/ information requires approval of Board/ any Committee/ External Body, etc., event will be deemed to have occurred on receipt of the approval from appropriate authority. Wherever multiple approvals are required, the event will be deemed to have occurred on receipt of last approval. However, considering the price sensitivity involved in events, disclosure shall be made immediately on receipt of approval of the Board of Directors, pending shareholders' approval.

6.2 If any event / information has happened / occurred, when the Corporation becomes aware of the same.

However, considering the price sensitivity involved, for certain events, e.g., decision on declaration of dividends, etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval. In the other matters, the events/information can be said to have occurred when the Corporation becomes aware of the events/information, or as soon as, an officer of the Corporation has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

## **7 Manner of Disclosure of events/ information to Stock Exchanges:**

7.1 The mandatory events for disclosure listed under Annexure A of the Policy are as prescribed under SEBI (LODR) Regulations, 2015 and will need to be disclosed to the extent these are applicable to the Corporation. The departments of the Corporation under whose domain the events listed in Annexure A fall, shall be responsible to ensure that the finalised disclosure (duly approved by concerned Managing Director / Chairman) in respect of the event pertaining to them which has occurred, is provided to the Board Secretariat Department promptly so that these are filed with the Stock Exchanges in the prescribed manner and within the prescribed timelines by the Board Secretariat Department.

7.2 The events listed / indicated under Annexures B, C and D will need to be disclosed based on their materiality as per the criteria suggested under para 4 of this policy. The departments of the Corporation under whose domain the listed events fall, shall prepare and keep ready the granular check lists of events pertaining to them which are perceived by them to be material after applying the criteria given under para 4 of the policy or based on some financial thresholds decided by them in consultation with the Materiality Determining Committee. Similar to the action suggested under para 7(i) above, the departments of the Corporation shall ensure to provide such finalized disclosures (duly approved by the respective Managing Director / Chief Executive/ Chairperson) in respect of the events pertaining to them which have occurred, to the Board Secretariat Department promptly so that these are filed with the Stock Exchanges in the prescribed manner and within the prescribed timelines by the Board Secretariat Department.

7.3 The events listed under Annexures A, B, C and D which fall under the domain of

Board Secretariat Department and which have occurred, shall be filed by them with the Stock Exchanges in the prescribed manner and within the prescribed timelines.

**8 Policy Review:**

This Policy is framed in compliance of the provisions of Regulation 30 (4) (ii) of (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any subsequent amendments to the Regulations which makes any of the provisions in the Policy inconsistent, the provisions of the Regulations shall prevail.

This Policy may be reviewed by the Board of Directors once in three years or as and when deemed necessary or required, subject to the condition that such alterations shall not be inconsistent with the provisions of the Regulations. Any change/amendments to this policy shall be approved by the Board of Directors.

Any change/amendments in applicable laws with regard to Policy for Determination of Materiality shall be deemed to be covered in this Policy without any review.

## ANNEXURE A

Events prescribed under para A of Part A Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are to be disclosed without any application of the guidelines for materiality [as specified in sub-regulation (4) of regulation (30)]:

Sr. No.	Description of Events to be disclosed
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. 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 per cent 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-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.	Outcome of 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: 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 exchanges(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.
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.
<b>6.</b>	Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
<b>7.</b>	<p>Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.</p> <p>(7A) In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities 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>(7B) Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:</p> <ol style="list-style-type: none"> <li>i. The letter of resignation along with detailed reasons for the resignation as given by the said director.</li> <li>ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.</li> <li>ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.</li> <li>iii. 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.</li> </ol>
<b>8.</b>	Appointment or discontinuation of share transfer agent
<b>9.</b>	<p>Resolution plan / Restructuring in relation to loans/ borrowings from banks / financial institutions including the following details:</p> <ol style="list-style-type: none"> <li>1. Decision to initiate resolution of loans/ borrowings;</li> <li>2. Signing of inter-creditors agreement (ICA) by Lenders;</li> <li>3. Finalization of Resolution Plan;</li> <li>4. Implementation of Resolution Plan;</li> <li>5. Salient Features, not involving commercial secrets, of the resolution / restructuring plan as decided by lenders.</li> </ol>
<b>10.</b>	One time settlement with a bank
<b>11.</b>	Reference to BIFR and winding-up petition filed by any party / creditors.
<b>12.</b>	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.
<b>13.</b>	Proceedings of Annual and extraordinary general meetings of the listed entity.
<b>14.</b>	Amendments to memorandum and articles of association of listed entity, in brief.
<b>15.</b>	<p>(a) Schedule of Analyst or institutional investor meet and presentations on financial results 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.</p> <p>(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:</p> <ol style="list-style-type: none"> <li>(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;</li> </ol>

	<p>(ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:</p> <p>The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.]</p>
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"> <li>a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;</li> <li>b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;</li> <li>c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;</li> <li>d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;</li> <li>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;</li> <li>f) Appointment/ Replacement of the Resolution Professional;</li> <li>g) Prior or post-facto intimation of the meetings of Committee of Creditors;</li> <li>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;</li> <li>i) Number of resolution plans received by Resolution Professional;</li> <li>j) Filing of resolution plan with the Tribunal;</li> <li>k) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;</li> <li>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: <ol style="list-style-type: none"> <li>(i) Pre and Post net-worth of the company;</li> <li>(ii) Details of assets of the company post CIRP;</li> <li>(iii) Details of securities continuing to be imposed on the companies' assets;</li> <li>(iv) Other material liabilities imposed on the company;</li> <li>(v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;</li> <li>(vi) Details of funds infused in the company, creditors paid-off;</li> <li>(vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;</li> <li>(viii) Impact on the investor – revised P/E, RONW ratios etc.;</li> <li>(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;</li> <li>(x) Brief description of business strategy.</li> </ol> </li> <li><b>m) Approval of resolution plan by the Tribunal or rejection, if applicable;</b></li> <li>n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;</li> <li>o) Quarterly disclosure of the status of achieving the MPS;</li> <li>p) The details as to the delisting plans, if any approved in the resolution plan.</li> </ol>
17	Initiation of Forensic Audit: In case of initiation of forensic audit, (by whatever

	<p>name called). The following disclosures shall be made to the stock exchanges by listed entities:</p> <p>a) the fact of initiation of forensic audit along with name of entity initiation the audit and reasons for the same, if available;</p> <p>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).</p>
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## ANNEXURE-B

Events which shall be disclosed upon application of the guidelines for materiality as prescribed under Para B of Part A of Schedule III of Listing Obligations and Disclosure Requirements (sub-regulation(4) of regulation (30)):

Sr. No.	Description of Events to be disclosed
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division
2	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).
3	Capacity addition or product launch.
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5	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.
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.
7	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
8	Litigation(s) / dispute(s) / regulatory action(s) with impact.
9	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10	Options to purchase securities including any ESOP/ESPS Scheme.
11	Giving of guarantees or indemnity or becoming a surety for any third party.
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

SEBI vide its circular number CIR/CFD/CMD/4/2015 dated 09<sup>th</sup> September, 2015 has provided guidance to listed entities for the details that need to be provided while disclosing events given in Annexure A and B of this policy. The said circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework/ Circulars/ Continuous Disclosure Requirements".

### **ANNEXURE-C**

**Any other information/event viz. major development that is likely to affect business.**

<b>Sr. No</b>	<b>Description of Events to be disclosed</b>
<b>1</b>	Emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc
<b>2</b>	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.
<b>3</b>	Any event/information being material as per views of the Board or specified by the Board from time to time.

### **ANNEXURE -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.