



<b>POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION</b>
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<b>Effective date: 30<sup>th</sup> November, 2015</b>
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<b>Version: 3</b>
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<b>Last Review Date: January 30, 2024</b>
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**Background:**

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations), 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 as per the details specified in para A & B of Part A of Schedule III of the listing Agreement vide \*SEBI's Master Circular dated 11<sup>th</sup> July, 2023 and the same is also required to be disclosed on the Company's website.

**POLICY:**

(I) Taking into account the aforesaid provisions and other applicable legal provisions, the Policy on determination of materiality for disclosures to events or information is being made as under:

**A. The Company shall disclose the following events without any application of the guidelines for materiality as specified in Regulation 30 of SEBI (LODR) Regulations, 2015 as soon as reasonably possible and in any case not later than the following from the occurrence of event or information:**

- \* (i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- (ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), sale or disposal of any unit(s), division(s), \*whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation (1) - For the purpose of this sub-para, 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 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-para 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 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.
3. \*New Rating(s) or 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 exchange(s).



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.

\*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 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.

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.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.

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.

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:

- i. The letter of resignation along with detailed reasons for the resignation as given by the said director and the Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
- 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.
- 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.

\*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 seven days from the date that such resignation comes into effect.

\*In case the Managing Director or Chief Executive Officer of the listed entity 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).

8. Appointment or discontinuation of share transfer agent.
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 the resolution/ restructuring plan as decided by lenders.
10. One time settlement with a bank.
11. \*Winding-up petition filed by any party / creditors.
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.
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 on financial results made by the listed entity to analysts or institutional investors;
16. Events in relation to the Corporate Insolvency Resolution Process (CIRP) of a listed corporate debtor under insolvency code;
17. Initiation of Forensic Audit;
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;
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.

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.

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.

**B. Further it has provided following list of events/ information which upon application of the below mentioned guidelines for determination of materiality could become material and be disclosed to the Stock Exchanges within 24 hours of its occurrence.**

**GUIDELINES FOR DETERMINATION OF THE MATERIALITY OF EVENTS:**

- 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) \*the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - (1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
  - (2) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;



- (3) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;
- d) In case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.

**Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
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).
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) 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. \*Pendency of any Litigation(s) / dispute(s) or the outcome thereof which may have an impact on the listed entity.
9. \*Frauds or defaults by employees of the listed entity which has or may have an impact on the 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.
  13. \*Delay in default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.
- 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.
- 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.
- (II)** The Chairman or the Managing Director or the Executive Director or the Company Secretary or the CFO are severally authorised for the purpose of determining materiality of an event or information.
- (III)** The Chairman or the Managing Director or the Executive Director or the Company Secretary or the CFO are severally authorised for making disclosures of such material event or information to the stock exchanges.
- (IV)** The Chairman or the Managing Director or the Executive Director are severally authorised to make appropriate changes to the above policy as they may deem expedient taking into account the law for the time being in force.
- (V)** This Policy is subject to review from time to time.

\* The amendments have been carried out on 07<sup>th</sup> August, 2023

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