

## **Policy on determination of materiality for disclosure of events or information**

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### **1. OBJECTIVE**

As per Regulation 30 of Securities and Exchange Board of India (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, on the basis of the criteria specified in sub-regulation (4) of Regulation 30 and the same is required to be disclosed on the Company’s website.

The objective of this Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in accordance with the provisions of the Regulations and to provide an overall governance framework for determination of materiality.

### **2. EVENTS DEEMED TO BE MATERIAL**

Events specified in Annexure A are deemed to be material events as per sub regulation (2) of Regulation 30 of SEBI Listing Regulations and the Company shall make disclosure of such events or information relating to such events to the Stock Exchange as per the provisions of the SEBI Listing Regulations.

### **3. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

The Company shall make disclosure of events as specified in Annexure B based on the application of guidelines for determining Materiality as per the following criteria.

The Company shall consider the following criteria for determination of materiality of event or information :

- (a) The omission of an event or information 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) Where the criteria specified in sub-clauses (a) and (b) are not applicable, an event / information may be treated as being material, if in the opinion of the Board of Directors of the Company, the event / information is considered material.

### **4. DISCLOSURE PROCESS**

- i. Any event purported to be reportable under SEBI Listing Regulations as a Material event shall be informed to the Managing Director / Chief Financial Officer of the Company on an immediate basis with adequate supporting data / information to facilitate a prompt and appropriate disclosure. Any other event,

## **Policy on determination of materiality for disclosure of events or information**

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even if not covered under the SEBI Listing Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Managing Director / Chief Financial Officer.

- ii. The Managing Director and / or the Chief Financial Officer shall be the authorized person for the purpose of determining materiality of an event or information specified in Annexure B on the basis of the criteria mentioned in Rule 3 above.
- iii. After evaluation, the Managing Director, Chief Financial Officer and the Company Secretary are severally authorized for making disclosures for such material event or information to the Stock Exchange.
- iv. The Company shall use the electronic facilities provided by the Stock Exchange for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
- v. Statutory time frames for disclosures shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
- vi. All disclosures shall be available on the website of the Company for a period of 5 years.

### **5. MODIFICATION OF THE POLICY**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

This Policy is subject to review from time to time.

### **6. DISSEMINATION OF POLICY**

This Policy shall be hosted on the website of the Company.

**Policy on determination of materiality for disclosure of events or information**

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**Annexure A**

**Events which shall be disclosed without any application of the guidelines for Materiality:**

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 Company or any other restructuring;

Explanation. - '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 Company 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 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 credit rating(s);
  4. Outcome of Meetings of the Board of Directors: The Company 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 Company from stock exchange.

**Policy on determination of materiality for disclosure of events or information**

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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 Company), 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 Company or arrest of Key Managerial Personnel or Promoter;
7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;
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. 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 Company;
13. Proceedings of Annual and extraordinary general meetings of the Company;
14. Amendments to memorandum and articles of association of Company, in brief;
15. Schedule of Analyst or institutional investor meets and presentations on financial results made by the Company to analysts or institutional investors.

**Annexure B**

**Illustrative list of events which shall be disclosed upon application of the guidelines for materiality:**

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 Company 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 Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Fraud/defaults, etc. by directors (other than key managerial personnel) or employees of Company;

**Policy on determination of materiality for disclosure of events or information**

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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. Any other information/event viz. major development that is likely to affect business of the Company.