

# **POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION**

## **Background:**

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, 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 the same is also required to be disclosed on the Company's website.

## **Policy:**

### **1. Purpose**

The purpose of this Policy is to set out the standards, processes and criteria for the determination and disclosure of material events and information to the Stock Exchange(s) in compliance with applicable law.

### **2. Scope**

This Policy applies to such events or information which are deemed to be material or sensitive as specified hereinafter, and upon occurrence of which the Company shall make such disclosure(s) to the Stock Exchange(s) in this regard in respect of each such event or information as per the requirements of Regulation 30 read with Schedule III of the Listing Regulations.

### **3. Material events or information:**

- a. Events or information specified in Para A of Part A of Schedule III of the Listing Regulations will be deemed to be material events / information and will be disclosed irrespective of application of any quantitative or qualitative materiality thresholds.
- b. The events or information which will be disclosed based on application of materiality criteria are given in Para B of Part A of Schedule III of the Listing

Regulations. Events which shall be disclosed upon application of the guidelines for materiality referred to Clause 4 of this policy

- c. The Company shall follow the Industry Standards Note as may be prescribed from time to time with respect to Disclosure Requirements under this Policy.

**4. Criteria for determining materiality of an 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; or
- c. The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - (i) two percent of turnover, as per the last audited consolidated financial statements of the Company
  - (ii) two percent of 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;
  - (iii) 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 Company.
- d. While assessing the materiality or otherwise of an event or information, additionally the following will be considered:
  - (i) Facts and circumstances relating to the information/event.
  - (ii) Whether the event or information presents a significant risk to the reputation of the Company or the Group.
  - (iii) Events or information should be direct and not derivative and reasonably perceivable (not remote)
  - (iv) Prevailing market conditions, general business practices, industry scenario business outlook, etc.
- e. Notwithstanding the above, an event/information may be treated as material, if in the opinion of the board of directors of the Company, the event / information is considered material.

**5. Other Information/Event:**

An event or information which are not specified under Para A or Para B of Part A of Schedule III to the Listing Regulations, but which in the view of Authorised Person or the Board is material will be disclosed in terms of this policy and Listing Regulations.

**6. Point of time when the material event / information is said to have occurred:**

The Company would disclose event/information meeting the materiality test as specified in this Policy no sooner than credible and concrete information comes to the Company or is said to have occurred in order to make such information generally available.

In certain instances it would depend on stage of negotiation, discussion or approval and the material event /information will be said to have occurred:

- a. In cases involving negotiation, discussion or approval, upon receipt of the approval of the Board or the shareholders, as the case may be. However, in cases involving price sensitive events / information (such as decision on declaration of dividend), the disclosure may be made on the receipt of approval of the Board, pending shareholder approval.

In case in-principle approval or approval to explore (which is not final approval) is given by the Board of Directors, the same shall not require disclosure under this policy

- b. In other cases, where no approvals are required (such as natural calamities or disruptions, etc.) when the Company or its officers become aware of the events / information, or when the Company or its officers ought to have reasonably come into knowledge / possession of the event / information while performing their duties.

Explanation – The term ‘officer’ shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Company.

## **7. Timelines for disclosure:**

The Company shall first disclose to the stock exchange(s) all events or information, which are material in terms of this policy and provisions of Listing Regulations as soon as reasonably possible and in any case not later than the following:

- i. thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information specified in Para A and Para B of Part A of Schedule III to the Listing Regulations has been taken:

Provided that in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting:

- ii. Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered, twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company or as may be specified by SEBI;

- iii. twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the company:

Provided that if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of point 8 of Para B of Part A of Schedule III of Listing Regulations, is maintained in the structured digital database of the Company in terms of provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the listed entity.

## **8. Mainstream media:**

The Company shall confirm, deny or clarify, upon the material price movement as may be specified by the stock exchanges, any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific event or information is circulating amongst the investing public, as soon as reasonably possible but in any case not later than twenty-four hours from trigger of material price movement:

In case the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

#### **9. Authorised Persons:**

The Chairman singly and any two of the Managing Director, EDs, CFO and Company Secretary jointly ('Authorised Persons') are authorised persons for the purpose of determining materiality of an event or information and they are severally authorized for making disclosures of such material event or information, to the stock exchanges.

The relevant employees shall pursuant to the above criteria identify any potential material event or information and report the same to the Authorised Persons, mentioned above, to enable them to determine the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

#### **10. Disclosures on the Company's website**

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the SEBI Listing Regulations, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy.

#### **11. Statutory Framework:**

- (a) This policy is framed in terms of the provisions of Listing Regulations, as amended from time to time.
- (b) Where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time this policy is changed to conform to the law, rule, regulation or standard.

#### **12. Review of the Policy:**

This Policy is subject to review from time to time.