

Policy on Criteria for Determining Materiality of Events

1. Background

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has formulated a Policy on determination of Materiality of events or information that warrant disclosure to investors.

2. Authority to Key Managerial Personnel

The Board of Directors of the Company have authorised the Chief Financial Officer and the Company Secretary (Authorized Persons) to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. 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. The Authorized Persons will ascertain the materiality of such event or information based on the above guidelines. On completion of the assessment, the Authorized Persons shall make appropriate disclosure(s) to the Stock Exchanges. Guidelines for Assessing Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

A. Event or information to be disclosed without any application of the guidelines for materiality are specified in **Annexure A** to this Policy.

B. Event or information that is to be disclosed based on materiality principle are specified in **Annexure B** to this Policy.

The following criteria will be applicable for determination of materiality of the event or information:

a) The omission of an event or information which is likely to:

- omission of an event or information, which is likely to result in a discontinuity or alteration of an event or information already available publicly; or
- 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;
- the omission of an event or information, whose value or the expected impact in terms of value exceeds the lower of the following:
 - 1) 2% of turnover as per the last audited consolidated financial statements of the listed entity.
 - 2) 2% of networth 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) 5% of the average of absolute value of profit or loss after tax, as per the last audited consolidated financial statements of the listed entity.
- In case where the above three criteria are not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the company, the event or information is considered material.

C. As specified in Para C of Part A of Schedule III of the Regulations, the Company shall promptly disclose 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 financial statements of the Company and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

3. Guidance on Timing of an Event or Information

The Company may be confronted with the question as to when an event/information can be said to have occurred. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions, etc. and the answer to the above question would depend upon the timing when the Company became aware of the event/information. In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors.

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 latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.

4. Policy Review

The Company may review the Policy from time to time based on Listing Regulations. Material changes to the Policy will need the approval of the Board of Directors.

Annexure A

Events or Information to be disclosed WITHOUT application of Materiality Guidelines:

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.
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 Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting as per the SEBI guidelines and Listing Requirements.
5. Decision on voluntary delisting by the Company from stock exchange(s).
6. 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.
7. Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.
8. Change in directors, key managerial personnel (Chief Operating Officer, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
9. Appointment or discontinuation of share transfer agent.
10. Corporate debt restructuring, including one- time settlement with a bank.
11. Reference to BIFR or NCLT 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.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors

Annexure B

Events or Information to be disclosed based on Materiality Guidelines

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. 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.
4. 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.
5. Effect(s) arising out of change in the regulatory framework applicable to the Company.
6. Litigation(s) / dispute(s) / regulatory action(s) with impact.