

**POLICY FOR DETERMINATION OF MATERIALITY UNDER REGULATION 30 OF  
THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015**

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**NOTE:** *In case of any change in Regulatory/ Statutory guidelines/ provisions governing the policy, the policy shall stand amended / updated automatically to that extent.*

## **I. Objective**

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To make disclosures of any event(s) or information (s) specified in Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also, to make disclosures of any event(s) or information (s) specified in Para B of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or such other information or event which deemed material based on the application of the test of materiality.

To decide the appropriate time for making requisite disclosures to the Stock Exchanges.

## **II. Test of Materiality**

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As per Regulation 30 of SEBI Listing Regulations, events specified in Para A of Part A of Schedule III are deemed to be material events and the listed entity shall make disclosure of such events to the Stock Exchange without the application of 'materiality'.

Further, the events enlisted under Para B of Part A of Schedule III shall be disclosed to the Stock Exchange, based on the application of the guidelines for materiality.

The listed entity shall consider the following criteria for determination of materiality of events / information:

- a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- 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) 2% of turnover, as per the last audited consolidated financial statements of the listed entity;
  - (2) 2% 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) 5% 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) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material.

### **III. Authorization for the Purpose of Determining Materiality of an event or the information:**

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A Committee comprising of the Managing Director & Chief Executive Officer, Deputy Managing Director, Chief Financial Officer (CFO) and the Company Secretary (CS) be constituted with the quorum of any two members, be authorized to determine the materiality of an event or information on the basis of the information available to them or made available to them by the concerned department HOD, for the purpose of making disclosure to the Stock Exchange(s) under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Concerned Department Head is under obligation and is duty bound to disclose the information or occurrence of such event to the CFO or CS for determining the materiality of such event or information.

An indicative list of events which shall mandatorily be disclosed by the Department Head to the Committee mentioned above are as under:

- 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) 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) or 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, by whatever name called, for any third party.
- 12) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- 13) Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.
- 14) 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.

#### **IV. Authorization for the Purpose of making Disclosure to the Stock Exchanges:**

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The Chief Financial Officer and the Company Secretary are severally authorized to disseminate any material event or information to the Stock Exchanges.

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