



POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION TO BE DISCLOSED TO STOCK EXCHANGES

1. BACKGROUND

- 1.1. The Company's securities are listed on BSE Limited (BSE) and we are required to comply with the obligations imposed by the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations") and amendments thereto. Listing Regulations mandate listed entities to formulate a Policy for determining materiality of events or information that warrant disclosure to investors. It is in this context that the Policy on Determination of Materiality for Disclosures ("Policy") is being framed and implemented.
- 1.2. Board of Directors, Managing Director, CFO, CEO, KMP, CS, Senior management personnel, Subsidiary and all other nomenclatures not defined herein shall have the same meaning as assigned to those terms under the Listing Regulations, Companies Act, 2013 or any other applicable laws or regulations, as the case may be.

2. OBJECTIVE

- 2.1. To ensure that the information disclosed by the Company is adequate, accurate, timely, transparent and do not contain any misrepresentation.
- 2.2. To protect the confidentiality of material/price sensitive information within the context of the Company's disclosure obligations.
- 2.3. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

3. EVENTS/INFORMATION TO BE DISCLOSED

- 3.1. Events and information set out in Para A of Part A of Schedule III of Regulation 30 without applying materiality criteria. The applicable events & information specified presently are given in Annexure 1.
- 3.2. Events and information set out in Para B of Part A of Schedule III of Regulation 30 after applying materiality criteria or which in the opinion of the board of directors of the Company is material. The applicable events & information specified presently are given in Annexure 2.
- 3.3. Any other events or information required to be disclosed in accordance with the regulatory requirements.

4. FACTORS TO BE CONSIDERED FOR DETERMING MATERIALITY

- 4.1. Materiality criteria to be applied for disclosure of events/information listed in Para B of Part A of Schedule III of the Regulation 30:



- (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 on Company's securities, if the said omission came to light at a later date;
- (c) The event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - i. 2% of turnover, as per the last audited consolidated financial statements of the Company;
 - ii. 2% 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. 5% 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) If in the opinion of the Board of Directors of the Company, the event/information is considered material;
- (e) All events or information with respect to subsidiaries which are material for the Company.

5. PERSONS AUTHORISED TO DETERMINE MATERIALITY

- 5.1. The Board of Directors have authorised severally Dr. Dinesh S. Patel (Chairman) or Dr. Sachin D. Patel or Company Secretary to determine materiality of event or information that has taken place, on the basis of above criteria, for the purpose of making disclosure to the Stock Exchanges. They are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- 5.2. Further, the senior management personnel and such other persons, as determined by the aforesaid authorized persons shall be relevant employees for the purpose of this policy, to identify potential event or information pertaining to their functional roles and report the same to the aforesaid Authorized Persons.

6. TIMELINES FOR DISCLOSURE

The Company shall disclose all events or information within the timelines specified in the Applicable Laws.

7. OBLIGATIONS OF INTERNAL STAKEHOLDERS AND KMPs FOR DISCLOSURE

- 7.1. Any event or information which is considered material or likely to have impact on the market price of the Company's securities shall be forthwith informed by the concerned Senior Management Personnel to the KMP(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- 7.2. The KMP(s) will then ascertain the materiality of such event(s) or information based on the above guidelines.
- 7.3. On completion of the assessment, the KMP(s) shall, if required, make appropriate disclosure(s) to the stock exchanges.



8. DISCLOSURE OF THE POLICY

This Policy will be uploaded on the website of the Company.

9. REVIEW AND AMENDMENT

- 9.1. The Board may monitor, review and amend the Policy from time to time as also whenever necessitated due to amendments in the Regulations.
- 9.2. In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.
- 9.3. The list of Events in Annexure 1 & 2, as it stands today may be updated, from time to time, by authorised persons, to reflect any changes to the SEBI Listing Regulations and the updated version be issued and published as necessary, without any requirement for approval from the Audit Committee or the Board of Directors.



Annexure 1

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s) or 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-paragraph, the word 'acquisition' shall mean-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreement 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 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 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).

“Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered”

- 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.
- 5A. 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/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.

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.
- 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. Decisions 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. a) Schedule of Analyst or institutional investor meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the listed entity to analysts or institutional investors.

Explanation: For the purpose of this clause ‘meet’ shall mean group meetings or group conference calls conducted physically or through digital means.

- b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
 - i. the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
 - ii. the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls
16. 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.
17. 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.
 - ia. 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.
18. 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.
19. 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).
20. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code in Para A of Part A of Schedule III of the SEBI Listing Regulations.
21. In case of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges:
- The fact of initiation of forensic audit along with name of entity initiating the audit and reasons for the same, if available;
 - Final forensic audit report (other than for forensic audit initiated by regulatory /enforcement agencies) on receipt by the company along with comments of the management, if any.
- Explanation:***
For the purpose of disclosure, forensic audit initiated by the management, lenders, or regulatory/enforcement agencies would:
- cover only those audits which are initiated with the objective of detecting any misstatement in financials or misappropriation/ siphoning or diversion of funds*
 - ii. not cover matters like product control practices, manufacturing practices, recruitment practices and supply chain process including procurement and matters that would not require any revision to the financial statements already issued by listed entity*
22. 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.
23. 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:
- search or seizure; or
 - re-opening of accounts under section 130 of the Companies Act, 2013; or
 - investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the details pertaining to the actions(s) initiated, taken or orders passed as prescribed.



24. 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;
- along with the details pertaining to the actions(s) initiated, taken or orders passed as prescribed.
25. 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.



Annexure 2

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) 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 named 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.

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