



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

### **1. LEGAL FRAMEWORK**

This Policy has been formulated in accordance with the guidelines laid down by the Securities and Exchange Board of India (SEBI) under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI Listing Regulations'**), as amended from time to time and the Circulars issued thereunder, with respect to disclosure of material events and information to the stock exchanges.

### **2. OBJECTIVE**

The objective of this Policy is to assist the employees of the Company in identifying potential material events or information in an objective manner that may originate at the ground level which can be promptly escalated and reported to the authorised Key Managerial Personnel or other officers of the Company, as specified in this Policy, for determining the materiality of the said event or information and for making necessary disclosure to the stock exchange(s) i.e. the National Stock Exchange of India Limited. All provisions of Regulation 30 read with Schedule III of the SEBI Listing Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

### **3. CRITERIA FOR DETERMINING MATERIAL EVENTS**

The SEBI Listing Regulations have classified disclosure of Material Events/Information, into the following categories:

- (i) Events which are considered to be **deemed material events**, and which need to be disclosed **without application of the "materiality criteria"**. These events are specified in Para A of Part A of Schedule III of Listing Regulations.
- (ii) Events which need to be disclosed based on the **application of the "materiality criteria"**. These events are specified in Para B of Part A of Schedule III of Listing Regulations.
- (iii) **Other events** as specified in Para C of Part A of Schedule III of Listing Regulations



## **Materiality Criteria of the Event or Information**

Materiality criteria shall have to be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information mentioned at **Para B of Part A of Schedule III** of Listing Regulations. In order to enable determining whether a particular event/information is material in nature, the Company shall consider the following criteria in accordance with the SEBI Listing Regulations as amended from time to time:

- I. The omission of an event or information:
  - a) which is likely to result in **discontinuity or alteration of event or information already available publicly**; or
  - b) which is likely to result in **significant market reaction if the said omission came to light at a later date**; or
  - c) 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;
- II. 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 (Board) of the Company, the event or information is considered material.
- III. In respect of events or information pertaining to subsidiaries, the Board may consider the criteria mentioned above and the Indicative Guidelines prescribed by SEBI, for determining materiality of such events or information vis-à-vis the Company.

## 4. TIMEFRAME FOR DISCLOSURE

In accordance with amended regulations, all events or information which are material shall be first disclosed to Stock Exchange(s) as soon as reasonably possible and in any case not later than the following:

- (i) **30 minutes from the closure of the meeting** of the board of directors in which the decision pertaining to the event or information has been taken;
- (ii) **12 hours** from the occurrence of the event or information, in case the event or information is **emanating from within the Company**;
- (iii) **24 hours** from the occurrence of the event or information, in case the event or information is not **emanating from within the Company**.

The disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the SEBI Listing Regulations shall be made within such timelines.

In case the Company discloses any event or information after the timelines specified under the SEBI Listing Regulations, it shall, along with such disclosure provide the explanation for the delay.

## 5. MARKET RUMOUR VERIFICATION

With effect from 1<sup>st</sup> October, 2023 or such other date as may be prescribed under the SEBI Listing Regulations, and as applicable to the Company, the Company shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of the SEBI Listing Regulations are circulating amongst the investing public, as soon as reasonably possible and not later than 24 hours from the reporting of the event or information. If the Company confirms the reported event or information, it shall also provide the current stage of such event or information. Until then, the Company may on its own initiative also, confirm, deny or clarify any reported event or information to Stock Exchange(s).



**6. AUTHORIZED KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE**

The Key Managerial Personnel (KMPs) of the Company consisting of the Managing Director, Whole-time Director(s), Chief Financial Officer and Company Secretary are hereby jointly and severally authorised to determine the materiality of an event or information and make disclosures to stock exchange(s) under the SEBI Listing Regulations.

**7. REVIEW AND AMENDMENT OF POLICY**

The Board of Directors of the Company is authorised to amend this Policy as may be required from time to time, subject to applicable laws.

**8. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations, Companies Act, 2013 or any other statutory enactments, rules, the provisions of such SEBI Listing Regulations and Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

**9. DISSEMINATION OF POLICY**

This Policy will be posted on the Company's website [www.shrirampistons.com](http://www.shrirampistons.com) and events & information disclosed to the Stock Exchange under Regulation 30 of the SEBI Listing shall also be posted on Company's website for a minimum of 5 years from the date such event /information is posted.

**10. APPROVAL FOR THE POLICY**

This policy was approved by the Board of Directors of the Company in their meeting held on 31.10.2014 and amended thereafter to make appropriate amendments to bring inline the policy with SEBI Listing Regulations.

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