



POLICY ON DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION

1. Preamble

The following Policy on Determination of Materiality of Event or Information (herein referred to as this “**Policy**”) is issued in pursuance of the requirements of Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred to as “**Listing Regulations**”) for determination of material events or information to be disclosed to stock exchanges where equity shares of Garden Reach Shipbuilders & Engineers Limited (herein referred to as the “**Company**”) are proposed to be listed.

2. Objective

This Policy intends to define the Company’s policy on systematic identification, categorisation and disclosure to stock exchanges, of events / information which are considered material and which may have a bearing on the performance / operation of the Company and which may materially affect the market prices of the securities of the Company.

3. Definitions

- 3.1. “**Compliance Officer**” shall mean the Company Secretary of the Company for determining the materiality of an event or information and for the purpose of making disclosures to stock exchanges in terms of this Policy.
- 3.2. “**Key Managerial Personnel**” means Key Managerial Personnel as defined in subsection (51) of section 2 of the Companies Act, 2013.
- 3.3. “**Material Event**” or “**Material Information**” shall mean such event or information as set out in this Policy or as may be determined in terms of the Listing Regulations. In this Policy, the words, “material” and “materiality” shall be construed accordingly.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.



4. Material Events or Information to be Disclosed

- 4.1 Events or information specified in Para A of Part A of Schedule III of the Listing Regulations, as may be amended from time to time, shall be disclosed as events which are “deemed” to be material, without any application of the guidelines for materiality. (Refer Annexure – 1).
- 4.2 Events or information specified in Para B of Part A of Schedule III of the Listing Regulations, as may be amended from time to time, shall be disclosed upon application of the guidelines of materiality referred in Regulation 30 (4). (Refer Annexure – 2)
- 4.3 Events or information specified in Para C of Part A of Schedule III of the Listing Regulations, which includes major development that is likely to affect business of the Company, 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 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.
- 4.4 Any other event or information, as specified by SEBI from time to time, shall also be disclosed to the stock exchanges.
- 4.5 If, in the opinion of the Board, any event or information is considered as material, the same shall be disclosed to stock exchanges.

5. Guidelines for Determining Material Events or Material Information

- 5.1. Materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the particular information / event. In order to determine whether a particular event or information is material in nature, the following 'quantitative' or 'qualitative' criteria(s) shall be applied:

- (a) Quantitative Criteria:

An event or information shall be a Material Event / Material Information where the value involved or the impact exceeds 5% of the total revenue or 10% of the Net worth, whichever is less, on the basis of last audited financial statements of the Company.



(b) Qualitative Criteria:

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

- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- (ii) 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;
- (iii) In case where the criteria specified in sub-clauses (i) and (ii) are not applicable, an event / information may be treated as being material if in the opinion of the Board of Directors of the Company, the event / information is considered material.

5.2. In circumstances where 'quantitative' test may not be applicable, 'qualitative' test may be applied to determine materiality and vice versa.

5.3. The authority for determining a Material Event / Material Information for the purpose of this clause shall be the Compliance Officer in consultation with the Functional Directors, Director (Finance) and the Chairman & Managing Director of the Company.

6. Determination of Occurrence of a Material Event or Material Information

6.1. Events / information shall be deemed to have occurred upon approval by the Board of Directors of the Company and in case of certain events / information, upon approval of both, the Board of Directors and the shareholders of the Company.

6.2. 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.

6.3. In certain cases, where discussion, negotiation or approval is not possible, 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.



7. Disclosure to Stock Exchanges

- 7.1. All the Key Managerial Personnel of the Company shall be under an obligation to disclose Material Event and / or price sensitive information relating to items covered under Para 4 above, to the Compliance officer.
- 7.2. The materiality of events outlined in this Policy is indicative in nature. The authorized officers of the Company shall exercise their own judgment while assessing and determining the materiality of events associated with the Company.
- 7.3. Upon receipt of information mentioned at Para 4, Compliance Officer shall consult Director (Finance) and Chairman & Managing Director before making disclosure of the Material Events and / or price sensitive information to the stock exchanges.
- 7.4. Disclosure shall be made to the Stock Exchanges of all events or information as soon as reasonably possible, but not later than twenty-four hours from the occurrence of events or information.
- 7.5. The outcome of the meetings of the Board of Directors to consider the specified items (Point 4 of Annexure – 1) shall be disclosed within 30 minutes of the closure of the meeting.
- 7.6. In case of delay of such disclosure, explanation for the delay shall be provided.
- 7.7. The Company shall provide updates of material developments of all Material Events or Material Information till such time the event is resolved / closed, with relevant explanations.
- 7.8. The Company shall also disclose all events or information with respect to subsidiaries which are material for the Company.
- 7.9. All the disclosures made under this Policy shall be uploaded on website of the Company. The hosting of the same shall be decided as per the Company's Preservation of Documents and Archival Policy on preservation.

8. Effective Date

This Policy will be applicable to the Company with effect from the date of Listing of the shares of the Company on the stock exchange(s).



9. Interpretation & Amendment

- 9.1. Any word used in this Policy, but not defined herein, shall have the same meaning as defined under the Listing Regulations and/or any other applicable statutory regulations.
- 9.2. The Board of Directors may review and amend this Policy as may be required from time to time in accordance with the provisions of applicable statutes and any subsequent amendments, circulars, notifications, guidelines in the Companies Act, 2013, Listing Regulations and other applicable laws, as may be issued from time to time, shall *mutatis mutandis* apply to this Policy.



EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY

(Regulation 30 read with Para A of Part A of Schedule III)

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 Company or any other restructuring.

Explanation- For the purpose of this sub-para, the word 'acquisition' shall mean:

- (a) acquiring control, whether directly or indirectly; or,
 - (b) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - (i) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - (ii) there has been a change in holding from the last disclosure made under sub- clause (i) of clause (b) 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.
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 credit 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, 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 Company from stock exchange(s).
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 Company), 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.
 6. Fraud / defaults by promoter or Key Managerial Personnel or by the Company or arrest of Key Managerial Personnel or promoter.
 7. Change in Directors, Key Managerial Personnel, Statutory Auditor and Compliance Officer.
 8. Appointment or discontinuation of share transfer agent.
 9. Corporate debt restructuring.
 10. One time settlement with a bank.
 11. Reference to Board for Industrial and Financial Reconstruction 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 the Company, in brief.
 15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.



Annexure – 2

EVENTS WHICH SHALL BE DISCLOSED UPON THE APPLICATION OF THE GUIDELINES FOR MATERIALITY

(Regulation 30 read with Para B of Part A of Schedule III)

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) (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.
6. 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.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud / defaults etc. by Directors (other than Key Managerial Personnel) or employees of the Company proved after due process of law has been followed and the Competent Authority has issued necessary orders.
10. Implementation of any Employees Stock Option Scheme after the Company has received the approval of the Government in this regard and the Board has approved the methodology.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.