



POLICY FOR DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION

1. Preamble

- 1.1. The Policy for Determination of Materiality of Event or Information (“Policy”) is issued in pursuance of the requirements of Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time, for determination of material events or information to be disclosed to stock exchanges where equity shares of Garden Reach Shipbuilders & Engineers Limited (“Company”) are listed.
- 1.2. The policy shall come into effect from the date of approval of the Board of Directors.¹

2. Objective

- 2.1. 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. The Company is committed to adhere to the highest standards of disclosure and dissemination of information to its stakeholders in terms of applicable statutes.
- 2.2. This policy is framed to enable investors to make well-informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis.

3. Definitions

- 3.1. “**Board**” means the Board of Directors of Garden Reach Shipbuilders & Engineers Limited;
- 3.2. “**Compliance Officer**” shall mean the Company Secretary and Compliance Officer of the Company;
- 3.3. “**Key Managerial Personnel**” means Key Managerial Personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

¹ Approved by the Board of Directors on 28 Feb 18. Further, the Policy was amended by the Board of Directors on 09 Aug 19, 26 Jul 21 and 22 Jan 2024.



- 3.4. **“Mainstream media”** shall include print or electronic mode of the following:
- i) Newspapers registered with the Registrar of Newspapers for India;
 - ii) News channels permitted by Ministry of Information and Broadcasting under Government of India;
 - iii) Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
 - iv) Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India;
- 3.5. **“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 SEBI Listing Regulations. In this Policy, the words, “material” and “materiality” shall be construed accordingly.
- 3.6. **“Senior Management”** shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise of Chief General Managers, General Managers, Functional/ Unit Heads, Company Secretary and the Chief Financial Officer.
- 3.7. **“Social Media Intermediaries/ Intermediary”** means an intermediary which primary or solely enables online interactions between two or more users and allow them to create, upload, share, disseminate, modify or access information using its services.

Explanation – “social media intermediaries/ intermediary” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI Act, 1992, Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996, the SEBI 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 and Regulation 31A (8) of the SEBI 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 In case, an event or information is required to be disclosed by the Company in terms of the provisions of this policy or SEBI Listing Regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.
- 4.3 Any other event or information, as specified by SEBI from time to time, shall also be disclosed to the stock exchanges.
- 4.4 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 ' qualitative' or ' quantitative' criteria(s) shall be applied:

(a) 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; or
- (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;

(b) Quantitative Criteria:

Where the value involved or the impact of any transactions exceeds the lower of the following:

- i. two percent (2%) of turnover, as per the last audited consolidated financial statements of the Company;
- ii. two percent (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. five percent (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;



- 5.2 Events or information specified in Para B of Part A of Schedule III of the SEBI 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)**
- 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.
- 5.4. Notwithstanding mentioned in clause 5.3 above, in case where the criteria specified in clause 5.1 above is 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:

6. Determination of Occurrence of a Material Event or Information

- 6.1. The Company may be confronted with the question as to when an event/information can be said to have occurred.
- 6.2. 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, the answer to the above question would depend upon the timing when the Company became aware of the event/information.
- (a) In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

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 case in-principle approval or approval to explore (which is not final approval) is given by the Board of Directors, the same shall not require disclosure under regulation 30 of the SEBI Listing Regulations.



- (b) In the latter, the events/information can be said to have occurred when a 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 Company.

- 6.3. Notwithstanding the above, the Company shall confirm, deny or clarify any reported event or information in the mainstream media in terms of Regulation 30 (11) of the SEBI Listing Regulations.

7. Dissemination of Material Events/ Information to Stock Exchanges

- 7.1. In case any KMP, Senior Management or Head of the Department (HoD) becomes aware of any material event/ information, or under an obligation to disclose such material event/ information or possible material events or information as laid down in this Policy and Schedule III of the SEBI Listing Regulations then such concerned official shall immediately inform about the said material event / information to the Compliance Officer of the Company.

- 7.2. The materiality of events/ information outlined in this Policy and Schedule III of the SEBI Listing Regulations is indicative in nature. The officers of the Company shall exercise the own judgment while assessing and determining the materiality of events associated with the Company.

- 7.3. Upon receipt of aforesaid information, the Compliance Officer shall consult the concerned Functional Director, Director (Finance) and/or Chairman & Managing Director before making disclosure of the Material Events and / or price sensitive information to the stock exchanges.

- 7.4. The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of SEBI Listing Regulations as soon as reasonably possible and in any case not later than the following:

- i. thirty (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. twelve (12) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- iii. twenty-four (24) hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company

- 7.5. The Compliance Officer shall make adequate disclosure of the event/information



to the stock exchanges as per the timeframe defined in this Policy and the SEBI Listing Regulations. In the absence/ unavailability of the Compliance Officer, the Chairman & Managing Director or the Director (Finance) shall make adequate disclosure of the said event/ information to the stock exchanges.

- 7.6. In case the disclosure is made after the timelines specified under this policy or SEBI Listing Regulations, the Company shall, along with such disclosure provide the explanation for the delay.
- 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, if any, which are material for the Company.
- 7.9. All the disclosures made under this Policy and SEBI Listing Regulations shall be uploaded on website of the Company. Such disclosures shall be hosted on the website of the Company for a minimum period of five (5) years and thereafter as per the Company's Policy on Preservation of Documents and Archival Policy.

8. Amendment

- 8.1 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, SEBI 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), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in the associate company or any other restructuring (Within 30 minutes* / 12 hours):

1.1. Acquisition (including agreement to acquire):

- a) name of the target entity, details in brief such as size, turnover etc.;
- b) whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;
- c) industry to which the entity being acquired belongs;
- d) objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the Company);
- e) brief details of any governmental or regulatory approvals required for the acquisition;
- f) indicative time period for completion of the acquisition;
- g) consideration - whether cash consideration or share swap or any other form and details of the same;
- h) cost of acquisition and/or the price at which the shares are acquired;
- i) percentage of shareholding / control acquired and / or number of shares acquired;
- j) brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);

Explanation: For the purpose of the above disclosure, “acquisition”, “sale or disposal of subsidiary”, “sale of stake in associate company”, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as defined in explanations of sub-para (1) of Para (A) of Part (A) of Schedule III of SEBI Listing Regulations.



1.2. Amalgamation/ Merger:

- a) name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;
- b) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- c) area of business of the entity(ies);
- d) rationale for amalgamation/ merger;
- e) in case of cash consideration – amount or otherwise share exchange ratio;
- f) brief details of change in shareholding pattern (if any) of Company.

1.3. De-merger:

- a) brief details of the division(s) to be demerged;
- b) turnover of the demerged division and as percentage to the total turnover of the Company in the immediately preceding financial year / based on financials of the last financial year;
- c) rationale for demerger;
- d) brief details of change in shareholding pattern (if any) of all entities;
- e) in case of cash consideration – amount or otherwise share exchange ratio;
- f) whether listing would be sought for the resulting entity.

1.4. Sale or disposal of unit(s) or division(s), whole or substantially the whole of the undertaking(s) or subsidiary company, sale of stake in the associate company:

- a) the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company during the last financial year;
- b) date on which the agreement for sale has been entered into;
- c) the expected date of completion of sale/disposal;
- d) consideration received from such sale/disposal;
- e) brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;
- f) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- g) whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of SEBI Listing Regulations.
- h) additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the Company with respect to such slump sale.

For the purpose of this sub-clause, "slump sale" shall mean the transfer of one or more undertakings, as a result of the sale for a lump sum consideration, without values being assigned to the individual assets and liabilities in such sales.



1.5. **Other Restructuring:**

- a) details and reasons for restructuring;
- b) quantitative and/ or qualitative effect of restructuring;
- c) details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring;
- d) brief details of change in shareholding pattern (if any) of all entities.

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. (Within 30 minutes* / 12 hours)**

2.1. **Issuance of securities:**

- a) type of securities proposed to be issued (viz. equity shares, convertibles etc.);
- b) type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc.);
- c) total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately);
- d) in case of preferential issue the Company shall disclose the following additional details to the stock exchange(s):
 - i. names of the investors;
 - ii. post allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors;
 - iii. in case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument;
- e) in case of bonus issue the Company shall disclose the following additional details to the stock exchange(s):
 - i. whether bonus is out of free reserves created out of profits or share premium account;
 - ii. bonus ratio;
 - iii. details of share capital - pre and post bonus issue;
 - iv. free reserves and/ or share premium required for implementing the bonus issue;
 - v. free reserves and/ or share premium available for capitalization and the date as on which such balance is available;
 - vi. whether the aforesaid figures are audited;
 - vii. estimated date by which such bonus shares would be credited/dispatched;
- f) in case of issuance of depository receipts (ADR/GDR) or FCCB the Company shall disclose following additional details to the stock exchange(s):
 - i. name of the stock exchange(s) where ADR/GDR/FCCBs are listed (opening – closing status) / proposed to be listed;



- ii. proposed no. of equity shares underlying the ADR/GDR or on conversion of FCCBs;
 - iii. proposed date of allotment, tenure, date of maturity and coupon offered, if any of FCCB's;
 - iv. issue price of ADR/GDR/FCCBs (in terms of USD and in INR after considering conversion rate);
 - v. change in terms of FCCBs, if any;
 - vi. details of defaults, if any, by the Company in payment of coupon on FCCBs & subsequent updates in relation to the default, including the details of the corrective measures undertaken (if any);
- g) in case of issuance of debt securities or other non-convertible securities, the Company shall disclose following additional details to the stock exchange(s):
- i. size of the issue;
 - ii. whether proposed to be listed? If yes, name of the stock exchange(s);
 - iii. tenure of the instrument - date of allotment and date of maturity;
 - iv. coupon/interest offered, schedule of payment of coupon/interest and principal;
 - v. charge/security, if any, created over the assets;
 - vi. special right/interest/privileges attached to the instrument and changes thereof;
 - vii. delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal;
 - viii. details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any;
 - ix. details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures;
- h) any cancellation or termination of proposal for issuance of securities including reasons thereof.

2.2. **Split/consolidation of shares:**

- a) split/consolidation ratio;
- b) rationale behind the split/consolidation;
- c) pre and post share capital – authorized, paid-up and subscribed;
- d) expected time of completion;
- e) class of shares which are consolidated or subdivided;
- f) number of shares of each class pre and post split or consolidation;
- g) number of shareholders who did not get any shares in consolidation and their pre-consolidation shareholding.



2.3. Buy back of securities:

- a) number of securities proposed for buyback;
- b) number of securities proposed for buyback as a percentage of existing paid up capital;
- c) buyback price;
- d) actual securities in number and percentage of existing paid up capital bought back;
- e) pre & post shareholding pattern.

2.4. Any restriction on transferability of securities:

- a) authority issuing attachment or prohibitory orders;
- b) brief details and reasons for attachment or prohibitory orders;
- c) name of registered holders against whom restriction on transferability has been placed;
- d) total number of securities so affected;
- e) distinctive numbers of such securities if applicable;
- f) period for which order would be applicable (if stated).

2.5. Any action, which will result in alteration of the terms or structure of any existing securities, including, but not limited to:

- a) forfeiture of shares;
- b) 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;
- c) proposal to issue any class of securities;
- d) alterations of capital, including calls;
- e) change in the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the Company.

3. New Rating(s) or Revision in Rating(s)

The Company shall notify the stock exchange(s), the details of any new rating or revision in rating assigned from a credit rating agency to any debt instrument of the Company or to any fixed deposit programme or to any scheme or proposal of the Company involving mobilization of funds whether in India or abroad. In case of a downward revision in ratings, the Company shall also intimate the reasons provided by the rating agency for such downward revision.

The above requirement to disclose rating shall also be applicable to the following:

- a) Revision in rating even if it was not requested for by the Company or the request was later withdrawn by the Company.
- b) Revision in rating outlook even without revision in rating score.
- c) ESG ratings by registered ESG Rating Providers.



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 or decide 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;

Note: In case of board meeting 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.

- (i) decision on voluntary delisting by the Company from stock exchange(s).

The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), 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 (Within 30 minutes* / 12 hours):

- (a) name(s) of parties with whom the agreement is entered;
- (b) purpose of entering into the agreement;
- (c) shareholding, if any, in the entity with whom the agreement is executed;
- (d) significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;
- (e) whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- (f) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- (g) in case of issuance of shares to the parties, details of issue price, class of



- shares issued;
- (h) any other disclosures related to such agreements, viz., details of nominee on the board of directors of the Company, potential conflict of interest arising out of such agreements, etc.;
- (i) in case of termination or amendment of agreement, Company shall disclose additional details to the stock exchange(s):
 - i. name of parties to the agreement;
 - ii. nature of the agreement;
 - iii. date of execution of the agreement;
 - iv. details of amendment and impact thereof or reasons of termination and impact thereof.

6. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company 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 Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that such agreements entered into by the Company 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 Company or they are required to be disclosed in terms of any other provisions of the SEBI Listing Regulations **(Within 30 minutes* / 12 hours/ 24 hours)**:

- a) if the Company is a party to the agreement,
 - i. details of the counterparties (including name and relationship with the Company);
- b) if Company is not a party to the agreement,
 - i. name of the party entering into such an agreement and the relationship with the Company;
 - ii. details of the counterparties to the agreement (including name and relationship with the Company);
 - iii. date of entering into the agreement.
- c) purpose of entering into the agreement;
- d) shareholding, if any, in the entity with whom the agreement is executed;
- e) significant terms of the agreement (in brief);
- f) extent and the nature of impact on management or control of the Company;



- g) details and quantification of the restriction or liability imposed upon the Company;
- h) whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- i) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- j) in case of issuance of shares to the parties, details of issue price, class of shares issued;
- k) any other disclosures related to such agreements, viz., details of nominee on the board of directors of the Company, potential conflict of interest arising out of such agreements, etc.;
- l) in case of rescission, amendment or alteration, Company shall disclose additional details to the stock exchange(s):
 - i. name of parties to the agreement;
 - ii. nature of the agreement;
 - iii. date of execution of the agreement;
 - iv. details and reasons for amendment or alteration and impact thereof (including impact on management or control and on the restriction or liability quantified earlier);
 - v. reasons for rescission and impact thereof (including impact on management or control and on the restriction or liability quantified earlier).

Explanation 1: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that the Company shall or shall not act in a particular manner.

Explanation 2: The parties to the agreements shall inform the Company about the agreement to which the Company is not a party within two working days of entering into the agreement or signing an agreement to enter into such agreements, where such agreement either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

7. Fraud or defaults by a Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director whether occurred within India or abroad (Within 24 hours):

7.1. At the time of unearthing of fraud or occurrence of the default / arrest:

- a) nature of fraud/default/arrest;
- b) estimated impact on the Company;
- c) time of occurrence;
- d) person(s) involved;
- e) estimated amount involved (if any);



- f) whether such fraud/default/arrest has been reported to appropriate authorities.

7.2. Subsequently intimate the stock exchange(s) further details regarding the fraud/ default/ arrest including:

- a) actual amount involved in the fraud /default (if any);
b) actual impact of such fraud /default on the Company and its financials; and
c) corrective measures taken by the Company on account of such fraud/ default.

Explanation 1: For the purpose of this clause, 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

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.

Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the Company.

Explanation 2: For the purpose of this clause, 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

Fraud shall include any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include —

- (1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;
- (2) a suggestion as to a fact which is not true by one who does not believe it to be true;
- (3) an active concealment of a fact by a person having knowledge or belief of the fact;
- (4) a promise made without any intention of performing it;
- (5) a representation made in a reckless and careless manner whether it be true or false;
- (6) any such act or omission as any other law specifically declares to be fraudulent;
- (7) deceptive behaviour by a person depriving another of informed consent or full participation;



- (8) a false statement made without reasonable ground for believing it to be true;
- (9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

Nothing contained in this explanation shall apply to any general comments made in good faith, in public or private, in regard to—

- (a) the economic policy of the government;
 - (b) the economic situation of the country;
 - (c) trends in the securities market or
 - (d) any other matter of a like nature.
- 8. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer (Within 30 minutes* / 12 hours and within 24 hours in case of resignation):**
- a) reason for change viz. appointment, re-appointment, resignation, removal, death or otherwise;
 - b) date of appointment/re-appointment/cessation (as applicable) & term of appointment/re-appointment;
 - c) brief profile (in case of appointment);
 - d) disclosure of relationships between directors (in case of appointment of a director).
- 9. In case of resignation of the auditor, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.**
- 10. In case of resignation of independent director, the following disclosures shall be made to the Stock Exchanges within seven days from the date of resignation:**
- a) The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - b) Letter of Confirmation from the independent director that there is/ are no material reasons other than those provided for the resignation.
 - c) Name of other listed entities in which the resigning director holds directorship indicating the category of directorship and membership of board committees, if any.



11. 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 Company within seven days from the date that such resignation comes into effect.
12. In case the Managing Director or Chief Executive Officer of the Company 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) (Within 30 minutes* / 12 hours).
13. **Appointment or discontinuation of share transfer agent (Within 30 minutes* / 12 hours):**
 - a) reason for appointment or discontinuation;
 - b) date on which above would become effective.
14. **Resolution plan/ restructuring in relation to loans/ borrowings from banks/ financial institutions including the following details (Within 24 hours):**
 - a) Decision to initiate the resolution of loans/ borrowings;
 - b) Signing of Inter-Creditors Agreement (ICA) by lenders;
 - c) Finalization of Resolution Plan;
 - d) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
15. **One time settlement (OTS) with a Bank (Within 24 hours):**
 - a) reasons for opting for OTS;
 - b) brief summary of the OTS.
16. **Winding-up petition filed by any party / creditors (Within 24 hours):**
 - a) reasons for such a petition;
 - b) impact of such petition on Company.
17. **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 and the following (Within 30 minutes* / 12 hours):**
 - a) date of notice/call letters/resolutions etc.;
 - b) brief details viz. agenda (if any) proposed to be taken up, resolution to be passed, manner of approval proposed etc.



18. Proceedings of annual and extraordinary general meetings of the Company and the following details in brief (Within 12 hours):

- c) date of the meeting;
- d) brief details of items deliberated and results thereof;
- e) manner of approval proposed for certain items (e-voting etc.).

19. Amendments to memorandum and articles of association of Company, in brief (Within 30 minutes* / 12 hours).

- 20. (a).** Schedule of analysts or institutional investors 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 Company 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:

21. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code (Within 24 hours):

- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
- d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;



- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- k) Approval of resolution plan by the Tribunal or rejection, if applicable;
- l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - i. Pre and Post net-worth of the company;
 - ii. Details of assets of the company post CIRP;
 - iii. Details of securities continuing to be imposed on the companies' assets;
 - iv. Other material liabilities imposed on the company;
 - v. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - vi. Details of funds infused in the company, creditors paid-off;
 - vii. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - viii. Impact on the investor – revised P/E, RONW ratios etc.;
 - ix. Names of the new promoters, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - x. Brief description of business strategy.
- m) Any other material information not involving commercial secrets.}
- n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o) Quarterly disclosure of the status of achieving the MPS;
- p) The details as to the delisting plans, if any approved in the resolution plan.

22. The following events in relation to reclassification of any person as Promoter / Public (Within 24 hours):

- a) receipt of request for re-classification from the promoter(s) seeking reclassification;
- b) minutes of the board meeting considering such request which would include the views of the board on the request;
- c) submission of application for re-classification of status as promoter/public;
- d) decision of the stock exchanges on such application as communicated to Company.



- 23. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by the Company (Within 30 minutes* / 12 hours/ 24 hours):**
- a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
 - b) 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.
- 24. Announcement or communication through social media intermediaries/ intermediary or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company (Within 24 hours).**
- 25. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following (Within 24 hours):**
- a) search or seizure; or
 - b) re-opening of accounts under section 130 of the Companies Act, 2013; or
 - c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.
- 26. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following (Within 24 hours):**
- 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 following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

27. Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013 (Within 30 minutes* / 12 hours).



Annexure – 2

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

(Regulation 30 (4) 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 (Within 30 minutes* / 12 hours).

The Company shall notify the stock exchange(s) regarding the commencement of commercial production or the commencement of commercial operations of any unit/division. In cases where the Company has made prior intimation of date of commencement of commercial production or operations, the Company shall be required to disclose details in case of postponement of the date of commencement.

2. Any of the following events pertaining to the Company (Within 30 minutes* / 12 hours):

2.1. Arrangements for strategic, technical, manufacturing, or marketing tie-up:

a) Agreement / joint venture (JV) with companies:

- i. name of the entity(ies) with whom agreement/ JV is signed;
- ii. area of agreement/JV;
- iii. domestic/international;
- iv. share exchange ratio / JV ratio;
- v. scope of business operation of agreement / JV;
- vi. details of consideration paid / received in agreement / JV;
- vii. significant terms and conditions of agreement / JV in brief;
- viii. whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;
- ix. size of the entity(ies);
- x. rationale and benefit expected.

b) In the event that any such arrangement is called off for any reason, the same shall be disclosed along with the reasons for calling off the proposal.

2.2. Adoption of new line(s) of business:

- a) industry or area to which the new line of business belongs to;
- b) expected benefits;
- c) estimated amount to be invested.



2.3. Closure of operations of any unit, division or subsidiary (in entirety or in piecemeal):

- a) date of such binding agreement, if any, entered for sale of such unit/division, if any;
- b) amount & percentage of turnover or revenue or income and net worth of the Company contributed by such unit or division during the last financial year;
- c) date of closure or estimated time of closure;
- d) reasons for closure.

3. Capacity addition or product launch (Within 30 minutes* / 12 hours)

3.1. Capacity addition:

- a) existing capacity;
- b) existing capacity utilization;
- c) proposed capacity addition;
- d) period within which the proposed capacity is to be added;
- e) investment required;
- f) mode of financing;
- g) rationale.

3.2. Product launch:

- a) name of the product;
- b) date of launch;
- c) category of the product;
- d) whether caters to domestic/ international market;
- e) name of the countries in which the product is launched (in case of international).

4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business (Within 24 hours):

4.1. Awarding of order(s)/contract(s): Only important terms and conditions which may be as under needs to be disclosed:

- a) name of the entity to which order(s)/contract(s) is awarded;
- b) whether order(s) / contract(s) is awarded to domestic/ international entity
- c) significant terms and conditions of order(s)/contract(s) awarded, in brief;
- d) time period, if any, associated with the order(s)/contract(s);
- e) broad commercial consideration or size of the order(s)/contract(s);
- f) whether the promoter/ promoter group/group companies have any interest in that entity to whom the order(s)/contract(s) is awarded? If Yes, nature of interest and details thereof;
- g) whether the same would fall within related party transactions? If yes, whether the same is done at “arm’s length”.



4.2. Bagging/Receiving of orders/contracts: Only important terms and conditions which may be as under needs to be disclosed:

- a) name of the entity awarding the order(s)/contract(s);
- b) significant terms and conditions of order(s)/contract(s) awarded in brief;
- c) whether order(s) / contract(s) have been awarded by domestic/ international entity;
- d) nature of order(s) / contract(s);
- e) whether domestic or international;
- f) time period by which the order(s)/contract(s) is to be executed;
- g) broad consideration or size of the order(s)/contract(s);
- h) whether the promoter/ promoter group / group companies have any interest in the entity that awarded the order(s)/contract(s)? If yes, nature of interest and details thereof;
- i) whether the order(s)/contract(s) would fall within related party transactions? If yes, whether the same is done at “arm’s length”.

4.3. Amendment or termination of orders/contracts:

- a) name of parties to the order(s)/contract(s);
- b) nature of the order(s)/contract(s);
- c) date of execution of the order(s)/contract(s)
- d) details of amendment or reasons for terminations and impact thereof (to the extent possible);

5. Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof (Within 30 minutes* / 12 hours/ 24 hours)):

Only important terms and conditions which may be as under needs to be disclosed:

- a) name(s) of parties with whom the agreement is entered;
- b) purpose of entering into the agreement;
- c) size of agreement;
- d) shareholding, if any, in the entity with whom the agreement is executed;
- e) significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;
- f) whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- g) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- h) in case of issuance of shares to the parties, details of issue price, class of shares issued;
- i) in case of loan agreements, details of lender/borrower, nature of the loan, total amount of loan granted/taken, total amount outstanding, date of execution of



- the loan agreement/sanction letter, details of the security provided to the lenders / by the borrowers for such loan or in case outstanding loans lent to a party or borrowed from a party become material on a cumulative basis;
- j) any other disclosures related to such agreements, viz., details of nominee on the board of directors of the Company, potential conflict of interest arising out of such agreements, etc.;
 - k) in case of termination or amendment of agreement, the Company shall disclose additional details to the stock exchange(s):
 - i. name of parties to the agreement;
 - ii. nature of the agreement;
 - iii. date of execution of the agreement;
 - iv. details of amendment and impact thereof or reasons of termination and impact 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. (Within 24 hours):

6.1. At the time of occurrence:

- a) expected quantum of loss/damage caused;
- b) whether loss/damage covered by insurance or not including amount;
- c) estimated impact on the production/operations in case of strikes/lock outs;
- d) factory/unit where the strike/lock out takes place including reasons for such strike.

6.2. Regularly, till complete normalcy is restored:

- a) insurance amount claimed and realized by the Company for the loss/damage;
- b) the actual amount of damage caused due to the natural calamity or other force majeure events;
- c) details of steps taken to restore normalcy and the impact of the natural calamity/other force majeure events on production or service, financials of the entity.

7. Effect(s) arising out of change in the regulatory framework applicable to the Company (Within 24 hours).

8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company (Within 24 hours):

The Company shall notify the stock exchange(s) upon it or its director or its key management personnel or its senior management or its promoter or its subsidiary becoming party to any litigation, assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed



against or in favour of the Company, the outcome of which can reasonably be expected to have an impact. In case the amount involved in ongoing litigations or disputes with an opposing party become material on a cumulative basis, then the same shall also be required to be disclosed to the stock exchange(s).

8.1. At the time of becoming the party:

- a) brief details of litigation viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed, brief details of dispute/litigation;
- b) expected financial implications, if any, due to compensation, penalty etc.;
- c) quantum of claims, if any;

8.2. Regularly till the litigation is concluded or dispute is resolved:

- a) the details of any change in the status and / or any development in relation to such proceedings;
- b) in the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings;
- c) in the event of settlement of the proceedings, details of such settlement including - terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the Company.

9. Frauds or defaults by employees of the Company which has or may have an impact on the Company (Within 24 hours):

9.1. At the time of unearthing of fraud or occurrence of the default/ arrest:

- a) nature of fraud/default/arrest;
- b) estimated impact on the Company;
- c) time of occurrence;
- d) person(s) involved;
- e) estimated amount involved (if any);
- f) whether such fraud has been reported to appropriate authorities.

9.2. Subsequently intimate the stock exchange(s) further details regarding the fraud/ default including:

- a) actual amount involved in the fraud /default (if any);
- b) actual impact of such fraud /default on the Company and its financials;
- c) corrective measures taken by the Company on account of such fraud/default.

10. Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme) at the time of instituting the scheme and vesting or exercise of options (Within 30 minutes* / 12 hours):

- a) brief details of options granted;
- b) whether the scheme is in terms of SEBI (SBEB) Regulations, 2021 (if applicable);



- c) total number of shares covered by these options;
- d) pricing formula;
- e) options vested;
- f) time within which option may be exercised;
- g) options exercised;
- h) money realized by exercise of options;
- i) the total number of shares arising as a result of exercise of option;
- j) options lapsed;
- k) variation of terms of options;
- l) brief details of significant terms;
- m) subsequent changes or cancellation or exercise of such options;
- n) diluted earnings per share pursuant to issue of equity shares on exercise of options.

11. Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party (Within 30 minutes* / 12 hours):

- a) name of party for which such guarantees or indemnity or surety was given;
- b) whether the promoter/ promoter group/ group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;
- c) brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee;
- d) impact of such guarantees or indemnity or surety on Company.

The above details for giving of guarantees or indemnity or becoming a surety, by whatever name called, including comfort letter, side letter, etc., shall also be required to be disclosed in case the amount involved in terms of outstanding guarantees, indemnity or surety for a third party become material on a cumulative basis.

12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals (Within 24 hours):

- a) name of the regulatory or licensing authority;
- b) brief details of the approval/license obtained/ withdrawn/ surrendered;
- c) impact/relevance of such approval/license to the Company;
- d) withdrawal/cancellation or suspension of licence/approval by the regulatory or licensing authority, with reasons for such action, estimated impact (monetary or otherwise) on the Company and penalty, if any;
- e) period for which such approval/license is/was valid;
- f) Subsequently, the Company shall inform the stock exchange(s), the actual impact (monetary or otherwise) along with corrective actions taken by the Company pursuant to the withdrawal, cancellation or suspension of the key license/ approval.



13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority (Within 30 minutes* / 12 hours):

- a) name of the authority;
- b) details of fines, penalties, dues, etc. including amount;
- c) due date of payment;
- d) reasons for delay or default in payment;
- e) impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

In addition to the above, details of payment including date of payment and amount paid shall be disclosed upon payment of the fines, penalties, dues, etc.

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 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 (Within 24 hours).

* **Note:** In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within thirty minutes from the closure of such meeting as against the timeline indicated above.