



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”) 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.
- 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. “**Compliance Officer**” shall mean the Company Secretary of the Company;
- 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 SEBI Listing Regulations. In this Policy, the words, “material” and “materiality” shall be construed accordingly.

¹ Approved by the Board of Directors on 28 Feb 18. Further, the Policy was last amended by the Board of Directors on 24 Dec 21.



- 3.4. **“Senior Management”** means Senior Management as defined in Regulation 16(d) of the SEBI Listing Regulations;

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 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 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. Dissemination of Material Events/ Information to Stock Exchanges

- 7.1. All Senior Management Personnel (SMP) and KMP of the Company shall be under an obligation to disclose Material Event/ Information and / or price sensitive information or possible material events or 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 officers of the Company shall exercise the own judgment while assessing and determining the materiality of events associated with the Company.
- 7.3. As known as the SMP and KMP becomes aware of any material event/information or potential material event/information, then the concerned officer shall immediately inform about the said material event / information to the concerned Functional Director and Compliance Officer of the Company.
- 7.4. Upon receipt of information mentioned at Para 4, 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.
- 7.5. 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.
- 7.6. 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.
- 7.7. The outcome of the meetings of the Board of Directors to consider the specified items shall be disclosed within 30 minutes of the closure of the meeting or timelines specified in Annexure-1.
- 7.8. In case of delay of such disclosure, explanation for the delay shall be provided.
- 7.9. 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.



- 7.10. The Company shall also disclose all events or information with respect to subsidiaries which are material for the Company.
- 7.11. 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. Amendment

- 9.1. 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, Listing Regulations and other applicable laws, as may be issued from time to time, shall *mutatis mutandis* apply to this Policy.



Annexure – 1

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 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).

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 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 (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- (7A) In case of resignation of the auditor of the Company, 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.
- (7B) Resignation of Independent director including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:
- (i) The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - (ii) Names of listed entities in which the resigning director hold directorships, indicating the category of directorship and membership of board committees, if any.
 - (iii) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - (iv) The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.



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. Decision 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. Reference to BIFR 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. (a) Schedule of analysts or institutional investors 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:



The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
- 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 persons(s), 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.
17. 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:
- 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.



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.