

SWAN DEFENCE AND HEAVY INDUSTRIES  
LIMITED

Policy for determination of materiality of events or  
information

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

### **1. BACKGROUND & OBJECTIVES**

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requires every listed company, whose specified securities are listed on any recognized stock exchange(s) to frame a Policy for Determination of Materiality of Event or Information ("Policy"), duly approved by the Board of Directors.

The objectives of this Policy are:

- a. To determine materiality of event/information for the purpose of disclosure to stock exchanges as required under Listing Regulations.
- b. To ensure that the information disclosed by the Company to stock exchanges is accurate, timely and transparent.
- c. To assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized persons, in terms of sub-regulation (5) of Regulation 30, for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

### **2. CRITERIA FOR DETERMINATION OF MATERIALITY**

Materiality must be determined on a case-to-case basis depending on the material facts and circumstances pertaining to the information or event. The Company shall consider the following criteria for determination of materiality of events/information which is subject to the quantitative factor mentioned below:

- a. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b. 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; or
- c. the omission of an event or information, whose value or the *expected impact in terms of value*, exceeds the lower of the following:
  1. two percent of turnover, as per the last audited consolidated financial statements of the Company;
  2. two percent 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;
  3. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

- d. in case where the criteria specified in (a), (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event/information is considered material.

In computing the “*expected impact in terms of value*” of an event/information, one should, where applicable, consider the expected impact in the four ensuing quarters (including the quarter in which the event occurs if the event occurs in the first 60 days of the quarter).

Disclosure / non-disclosure would typically be in compliance with the regulatory requirements if while undertaking the assessment of the “*value*” and “*expected impact in terms of value*”, one should place reliance on the principles for measurement set out under the applicable accounting standards (such as the PPR test formulated basis the principles for measurement set out under Ind AS 37), so as to ensure consistency between the disclosures made to the stock exchanges, and the disclosures made in the financial statements. For instance, if the outcome for a matter (above the materiality threshold) falls within probable or possible category then it may be disclosed, however, if it falls within remote category then disclosure may not be required under Para B(8) of Part A of Schedule III.

### **3. DISCLOSURE OF EVENTS OR INFORMATION**

The Company shall make disclosures of any events or information which in the opinion of the Board of Directors is material or required under the SEBI LODR Regulations.

The Company will also disclose to the Stock Exchanges, with respect to its Subsidiaries, events and information which are material for the Company.

The SEBI LODR Regulations have divided the events that need to be disclosed as follows:

**Category 1:** Events have to be necessarily disclosed without applying any test of materiality. The events indicated in Para A of Part A of Schedule III of the SEBI LODR Regulations. List of events is attached as **Annexure - 1**.

**Category 2:** Events should be disclosed upon application of the guidelines for materiality as stated in the above clause 2.

These events are indicated in Para B of Part A of Schedule III of the SEBI LODR Regulations. List of events is attached as **Annexure -2**.

In certain instances, all of the three parameters specified in clause may not be relevant to an event. As such, while assessing whether an event exceeds the materiality thresholds, **Relevant Employee** should refer to **Annexure-3** for guidance on which of the relevant and appropriate parameter ought to be considered for determination of materiality for different types of events under Annexure – 2.

**Category 3:** Any other information or event viz. major development that is likely to affect the business and brief details thereof and any other information exclusively known to the Company which may be necessary to enable the securities holders of the Company to appraise its position and to avoid establishment of a false market in such securities.

**Category 4:** Without prejudice to the generality of category (1), (2) and (3) above, any other event or information as may be specified by the SEBI from time to time.

Where the Company makes disclosures to the Stock Exchanges under the above categories, the Company will also disclose material development(s) on the said event /information.

Further, the Relevant Employee or person(s) responsible for disclosure may rely on the Guidance issued by the Industry Standard Forum attached as **Annexure-4**, on appropriate parameter (profit / net-worth / turnover) to be considered for determination of materiality for different types of events under Para B of Part A of Schedule III of LODR Regulations.

#### **4. TIME LIMIT FOR THE DISCLOSURE**

The Company shall disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this policy and Regulation 30 of SEBI LODR Regulations as soon as reasonably possible and in any case not later than the following:

- a. 30 (thirty) minutes from the closure of the meeting of the Board of Directors of the Company in which the decision pertaining to the event or information has been taken; however, in case the meeting of the Board of Directors closes after normal trading hours of that day but more than 3 hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within 3 hours from the closure of the Board Meeting.
- b. 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c. 24 (twenty four) hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

The timelines stipulated hereinabove for making disclosures to the stock exchanges shall commence once the Relevant Employee(s) or Authorised Person(s) of the listed entity become aware of the occurrence of an event or information through credible and verifiable channels of communication.

In case the disclosure is made after the time limit specified under Regulation 30 of SEBI LODR Regulations, the Company shall, along with such disclosure provide the explanation for the delay.

## **5. PERSON(S) RESPONSIBLE FOR DISCLOSURE**

The Board of Directors of the Company has severally authorised Chief Executive Officer ('CEO') and Chief Financial Officer ('CFO' ("Authorised Persons")) to determine the materiality of an event or information on a timely basis. The Authorised Persons are empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they deem fit. Details of the Authorised Persons shall be disclosed to the Stock Exchanges and on the Company's website.

The Chief Financial Officer and the Company Secretary are severally authorized to submit disclosures, as considered material by the Authorized Person, to the stock exchanges.

## **6. PROCEDURE FOR DISCLOSURE**

In order to ensure that the Company complies with the disclosure obligations under Regulation 30 of the SEBI LODR Regulations, an internal system to determine the materiality of an event or information is made.

Under the system, all senior management personnel [**Relevant Employee**] who are responsible for relevant areas of the Company's operations must report immediately to the "Authorised Persons" and Company Secretary, about occurrence of any event or information which in his opinion may require disclosure.

On receipt of communication of such event or information, the matter will be reviewed and assessed by the "Authorised Persons" in regard to its accuracy and materiality of such event or information in terms of this policy.

## **7. VERIFICATION OF MARKET RUMOUR**

The Company shall confirm, deny or clarify, upon material price movement as may specified by stock exchanges/ SEBI, any reported event/ information in the mainstream media which is not general in nature and which indicates that rumour of an impending specific event/ information is circulating amongst the investing public within the timelines specified under law. The confirmation, denial/ clarification shall be made as per regulation 30(11) of the SEBI LODR Regulations, as amended from time-to-time, circulars/ notifications issued by SEBI/ stock exchanges in this regard.

The requirements under Regulation 30(11), in respect of confirmation/ denial/ clarification of market rumours, are only applicable to market rumours that are reported in the specified 'mainstream media', coinciding with Material Price

Movement in the Company's shares on the Stock Exchanges, as prescribed under the Regulations. It shall not be applicable to market rumours that are ambiguous or general in nature.

Social media platforms are excluded from the ambit of mainstream media. Mainstream media shall cover (i) the specific news sources set out in the Industry Standard Note on verification of market rumours under Regulation 30(11) issued by ISF; and (ii) the list of English language business/ financial news sources in respect of the each foreign jurisdictions having more than 1,00,000 circulation in such country(ies), per publishing day, where the Company has material business operations.

## **8. POLICY REVIEW**

The Authorized Persons may review the Policy from time to time. Material changes to the Policy will need the approval of the Board of Directors of the Company.

Should there be any inconsistency between the terms of the Policy and the SEBI LODR Regulations, the provisions of the SEBI LODR Regulations shall prevail. Any amendments to the SEBI LODR Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy.

## **9. WEBSITE**

As per the provisions of the SEBI LODR Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to Stock Exchanges under the SEBI LODR Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the Documentation Retention and Archival Policy of the Company.

## **10. AMENDMENT**

The Board of Directors on its own and / or as per the recommendations of the Committee can amend this policy, as and when deemed fit.

In case of any amendments(s), clarification(s), circulars(s) etc, issues by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circulars(s) etc., shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarifications(s), circular(s) etc.

**Events specified in Para A of Part A of Schedule III of the Listing Regulations**

SN	PARTICULARS
1.	<p>Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.</p> <p>Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-</p> <ul style="list-style-type: none"> <li>(i) acquiring control, whether directly or indirectly; or</li> <li>(ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that <ul style="list-style-type: none"> <li>(a) the listed entity holds shares or voting rights aggregating to twenty per cent or more of the shares or voting rights in the said company; or</li> <li>(b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds five per cent of the total shareholding or voting rights in the said company; or</li> <li>(c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub regulation (4) of regulation 30.</li> </ul> </li> </ul> <p>Provided that acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last disclosure made under this proviso exceeding two per cent of the total shareholding or voting rights in the said unlisted company shall be disclosed on a quarterly basis in the format as may be specified.</p> <p>Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include- (i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or (ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.</p> <p>Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.</p>
2.	Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms

	or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3.	New Rating(s) or Revision in Rating(s).
4.	<p>Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s) the outcome of meetings of the board of directors held to consider the following:</p> <ul style="list-style-type: none"> <li>a) dividends recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;</li> <li>b) any cancellation of dividend with reasons thereof;</li> <li>c) the decision on buyback of securities;</li> <li>d) the decision with respect to fund raising proposed to be undertaken including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method.</li> <li>e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;</li> <li>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;</li> <li>g) short particulars of any other alterations of capital, including calls;</li> <li>h) financial results;</li> <li>i) decision on voluntary delisting by the listed entity from stock exchange(s).</li> </ul>
5.	Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6.	<p>Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:</p> <p>Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.</p> <p>Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.</p>



7.	<p>Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad:</p> <p>For the purpose of this sub-paragraph:</p> <ul style="list-style-type: none"> <li>(i) '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.</li> <li>(ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.</li> </ul> <p>Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.</p> <p>Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.</p> <p>Explanation 3 – Fraud by senior management, other than who is promoter, director or key managerial personnel, shall be required to be disclosed only if it is in relation to the listed entity.</p>
8.	<p>Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.</p>
9.	<p>In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.</p>
10.	<p>Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:</p> <ul style="list-style-type: none"> <li>i) The letter of resignation along with detailed reasons for the resignation as given by the said director.</li> <li>(ia) Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.</li> <li>ii.) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.</li> <li>iii) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.</li> </ul>
11.	<p>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</p>

	managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.
12.	In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
13.	Appointment or discontinuation of share transfer agent.
14.	Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details: <ul style="list-style-type: none"> <li>(i) Decision to initiate resolution of loans/borrowings;</li> <li>(ii) Signing of Inter-Creditors Agreement (ICA) by lenders;</li> <li>(iii) Finalization of Resolution Plan;</li> <li>(iv) Implementation of Resolution Plan;</li> <li>(v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.</li> </ul>
15.	One Time settlement with a bank.
16.	Winding-up petition filed by any party / creditors.
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 listed entity.
18.	Proceedings of Annual and extraordinary general meetings of the listed entity.
19.	Amendments to memorandum and articles of association of listed entity, in brief.
20.	<p>(i) 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).</p> <p>(ii) Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed to the recognized stock exchanges prior to beginning of such events.</p> <p>Explanation I: For the purpose of this clause ‘meet’ shall mean group meetings or group conference calls conducted physically or through digital means.</p> <p>Explanation II: (a) Disclosure of names in the schedule of analysts or institutional investors meet shall be optional for the listed entity.</p> <p>(b) Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:</p> <p>(i) The audio 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;</p> <p>(ii) the video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls;</p>

	(iii)the transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchanges within five working days of the conclusion of such calls.
21.	<p>The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:</p> <ul style="list-style-type: none"> <li>a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;</li> <li>b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;</li> <li>c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;</li> <li>d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;</li> <li>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;</li> <li>f) Appointment/ Replacement of the Resolution Professional;</li> <li>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;</li> <li>i) Number of resolution plans received by Resolution Professional;</li> <li>j) Filing of resolution plan with the Tribunal;</li> <li>k) Approval of resolution plan by the Tribunal or rejection, if applicable;</li> <li>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: <ul style="list-style-type: none"> <li>(i) Pre and Post net-worth of the company;</li> <li>(ii) Details of assets of the company post CIRP;</li> <li>(iii) Details of securities continuing to be imposed on the companies' assets;</li> <li>(iv) Other material liabilities imposed on the company;</li> <li>(v)Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;</li> <li>(vi) Details of funds infused in the company, creditors paid-off;</li> <li>(vii)Additional liability on the incoming investors due to the transaction, source of such funding etc.;</li> <li>(viii) Impact on the investor – revised P/E, RONW ratios etc;</li> <li>(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;</li> <li>(x) Brief description of business strategy.</li> </ul> </li> <li>(m) Any other material information not involving commercial secrets.</li> <li>(n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;</li> <li>(o) Quarterly disclosure of the status of achieving the MPS;</li> <li>(p) The details as to the delisting plans, if any approved in the resolution plan.</li> </ul>

22.	<p>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 listed entities:</p> <p>a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;</p> <p>b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.</p> <p>Explanation – For the purpose of this sub-paragraph, forensic audit refers to the audits, by whatever name called, which are initiated with the objective of detecting any mis-statement in financial statements, mis-appropriation, siphoning or diversion of funds and does not include audit of matters such as product quality control practices, manufacturing practices, recruitment practices, supply chain process including procurement or other similar matters that would not require any revision to the financial statements disclosed by the listed entity.</p>
23.	<p>Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.</p> <p>Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.</p>
24.	<p>Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:</p> <p>(a) search or seizure; or</p> <p>(b) re-opening of accounts under section 130 of the Companies Act, 2013; or</p> <p>(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;</p> <p>i. name of the authority;</p> <p>ii. nature and details of the action(s) taken, initiated or order(s) passed;</p> <p>iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;</p> <p>iv. details of the violation(s)/contravention(s) committed or alleged to be committed;</p> <p>v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.</p>
25.	<p>Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation</p>

	<p>to the listed entity, in respect of the following: (a) suspension; (b) imposition of fine or penalty; (c) settlement of proceedings; (d) debarment; (e) disqualification; (f) closure of operations; (g) sanctions imposed; (h) warning or caution; or (i) any other similar action(s) by whatever name called; along with the following details pertaining to the actions(s) taken or orders passed:</p> <ol style="list-style-type: none"> <li>i. name of the authority;</li> <li>ii. nature and details of the action(s) taken or order(s) passed;</li> <li>iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;</li> <li>iv. details of the violation(s)/contravention(s) committed or alleged to be committed;</li> <li>v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.</li> </ol> <p>Explanation – Imposition of fine or penalty shall be disclosed in the following manner along with the details pertaining to the action(s) taken or orders passed as mentioned in the sub-paragraph: (i) disclosure of fine or penalty of rupees one lakh or more imposed by sectoral regulator or enforcement agency and fine or penalty of rupees ten lakhs or more imposed by other authority or judicial body shall be disclosed within twenty four hours. (ii) disclosure of fine or penalty imposed which are lower than the monetary thresholds specified in the clause (i) above on a quarterly basis in the format as may be specified.</p>
26.	Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.

**Annexure-2****Events specified in Para B of Part A of Schedule III of the Listing Regulations**

<b>SN</b>	<b>PARTICULARS</b>
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2.	Any of the following events pertaining to the listed entity: (a) arrangements for strategic, technical, manufacturing, or marketing tieup; or (b) adoption of new line(s) of business; or (c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).
3.	Capacity addition or product launch.
4.	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5.	Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6.	Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
8.	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
9.	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
10.	Options to purchase securities including any ESOP/ESPS Scheme.
11.	Giving of guarantees or indemnity or becoming a surety (by whatever named called),for any third party.
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13.	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

**Guidance on appropriate parameter (profit / net-worth / turnover) to be considered for determination of materiality for different types of events under Para B of Part A of Schedule III of LODR Regulations**

As per regulation 30(4)(i)(c) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('LODR Regulations'):

- (i) *The listed entity shall consider the following criteria for determination of materiality of events/ information:*
- (c) *the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:*
- (1) *two percent of turnover, as per the last audited consolidated financial statements of the listed entity;*
  - (2) *two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;*
  - (3) *five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.*

Thus, it is understood that any event/ information shall be considered as material for the Company if the value of such transaction or the expected impact of such event/ information in terms of value is lower of the turnover or net worth or profits after tax as calculated under the above stated provisions.

However, in certain instances, all of the three parameters specified under Regulation 30(4)(i)(c) (viz, profit / net worth / turnover) may not be relevant to an event. Based on the above, an analysis as to which of the three parameters should be applied for events or information stated in Schedule III, Part A, Para B is suggested below for uniform approach by the listed entities:

S. No.	Para B Events	Comparable with individual threshold limit (Numerator to Denominator)
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
2	Any of the following events pertaining to the listed entity: (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or	Lower of the below: a. Capital invested or to be invested for such tie-up to 2% of consolidated net worth; or

S. No.	Para B Events	Comparable with individual threshold limit (Numerator to Denominator)
		b.Expected impact on turnover to 2% of consolidated turnover; or c.Expected impact on profit/ loss to 5% of average PAT
	(b) adoption business; or of new line(s) of business; or	Lower of the below: a.Capital invested or to be invested for new line of business to 2% of consolidated net worth; or b.Expected impact on turnover to 2% of consolidated turnover; or c.Expected impact on profit/ loss to 5% of average PAT
	(c) closure of operations of any unit, division or subsidiary (in entirety or in piecemeal)	Lower of the below: a.Expected impact on turnover to 2% of consolidated turnover; or b.Expected impact on profit/ loss to 5% of average PAT
3	Capacity addition or product launch.	Capacity addition: Lower of the below: a. Capital invested or to be invested to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT  Product launch: Lower of the below: a. Capital invested or to be invested for product launch to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business	Lower of the below: a. Expected capital expenditure to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or



S. No.	Para B Events	Comparable with individual threshold limit (Numerator to Denominator)
		c. Expected impact on profit/ loss to 5% of average PAT
5	Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof	Lower of the below, as may be applicable: a. Expected impact on balance sheet (increase in liability in terms of amount of loan) to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT
6	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
7	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
8	Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party	Lower of the below: a. Expected impact on balance sheet (increase in liability in terms of amount of guarantee, indemnity, surety, etc.) to 2% of consolidated net worth; or b. Expected impact on profit/ loss in case the guarantee / indemnity / surety is invoked to 5% of average PAT
	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT

S. No.	Para B Events	Comparable with individual threshold limit (Numerator to Denominator)
	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority	Threshold to be linked with Para A (20) - imposition of penalty.

Notes:

1. The above comparison of numerator to denominator for each event shall be applied basis on the assessment available with the Company, whether internal or external including any press release, transaction documents, insurance, board presentation, management review, etc., for determining such expected impact on turnover, capital expenditure, profits, etc. Refer Para 2.1 of the Note for explanation on computing “expected impact in terms of value”.
2. Consolidated turnover, net worth and profit/loss shall be as per the last audited consolidated financial statements of the listed entity and the average PAT shall be average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.

**Document Control:**

<b>Version</b>	<b>Author</b>	<b>Approved by</b>	<b>Date</b>
01	Company Secretary	Board of Directors	13/05/2025