

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

### **I. Introduction:**

Metropolitan Stock Exchange of India Limited (“Exchange/ MSE”) has adopted this policy for determination of materiality of information or event for facilitating prompt disclosure of material price sensitive information.

The Exchange is voluntarily framing this policy in terms of Regulation 33(1) of the Securities Contracts (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended from time to time.

### **II. Preamble:**

Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (“**Listing Regulations**”), mandates disclosure of any events or information which is material in the opinion of the Exchange.

Regulation 30(4)(ii) of the Listing Regulations mandates a listed company to frame a policy for determination of materiality of events or information for disclosure, based on the criteria therein.

This Policy shall act as a guidance for determining materiality of such price sensitive information.

### **III. Definitions:**

The capitalized terms used in this Policy shall have the meaning ascribed to such terms in the Companies Act, 2013 and the rules made thereunder and the Listing Regulations (collectively, the ‘Statutory Provisions’), as the case may be.

### **IV. Disclosure of events or information:**

1. The events or information specified in Para A of Part A of Schedule III of the Listing Regulations will be disclosed without the application of any materiality thresholds, as these are “deemed” to be material events.
2. The events or information specified in Para B of Part A of Schedule III of the Listing Regulations will be disclosed based on application of the materiality criteria, as laid out in the Policy below.
3. In addition to the above, Paras C and D of Part A of Schedule III of the Listing Regulations mandate disclosure of the following:
  - a. major developments that are likely to affect business,
  - b. any change in accounting policies that may have a significant impact on the accounts of the Company;
  - c. 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; and
  - d. any other disclosures as may be specified by SEBI from time to time.

**V. Policy:**

This Policy sets out:

1. guidelines for identification of such information/events, which is material, in the opinion of the Board; and
2. roles and responsibilities of certain identified key managerial personnel, as per the Companies Act, 2013, for determining materiality of an event or information.

**VI. Guidelines for identification of such event / information, which is material, in the opinion of the Board:**

1. The events/ information as set out in Para B of Part A of Schedule III of the Listing Regulations, will be disclosed, as soon as reasonably possible, but not later than 24 hours from the occurrence of such event/ information, if the estimated impact of such event/ information exceeds 10% of Total Revenue or 10% of the total net worth, whichever is lower.

Explanation: Total Revenue/ net worth shall be based on the latest audited consolidated annual financial statements of the Company for the previous year ended.

Provided that in case the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with such disclosures, provide explanation for the delay.

2. In the event the materiality threshold indicated above cannot be applied to a particular event and/or information, the Company shall assess materiality based on the following criteria:
  - a. the omission of disclosure of a particular event or information is likely to result in discontinuity or alteration of event or information already available publicly;
  - b. the omission of disclosure of a particular event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
  - c. In case the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if, in the opinion of the Board, the event / information is considered material.
3. Any other information/ event, viz. major development that is likely to affect business or have a significant impact on the accounts, 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. Any information/ events with respect to subsidiary of the Company which are material for the Company.
5. It is clarified that as regard any event / information, only such impact which is direct and perceivable, and not remote, shall be considered.
6. In addition to the above, the Company may make voluntary disclosures of events/information, as may be specified by the Board or by SEBI from time to time.

**VII. Authority:**

The Key Managerial Personnel of the Company are severally authorised for determining materiality of event or information for disclosure.

The Managing Director & Chief Executive Officer (MD&CEO), Chief Financial Officer (CFO) and the Head – Legal & Company Secretary of the Company are severally authorised for disclosing such material events or information.

**VIII. Disclosure on Company's website:**

All the events or information for the purpose of disclosure shall be uploaded on the website of the Exchange for a minimum period of 5 years and thereafter as per archival policy.

**IX. Review and Amendment:**

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the statutory provisions and remains effective.

This Policy shall be reviewed periodically and may be amended by the MD&CEO of the Company, as may be deemed necessary.

**X. Interpretation:**

In case of any conflict between the provisions of this policy and of statutory provisions, the statutory provisions shall prevail over this policy. Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this policy.

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