



apcotex industries limited

**POLICY FOR DETERMINATION OF MATERIALITY OF
EVENTS OR INFORMATION**

Approved on: 6th February 2016

Revised on: 26th July 2023

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

1. Legal Framework

This Policy is framed pursuant to Regulation 30 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The objective of the Policy is to determine the materiality of event or information of the Company, apart from those events which are already specified in Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, as amended from time to time, so that such event or information can be promptly disclosed to the stock exchange(s).

2. Objective

The objective of this Policy is to serve as a guiding charter to the Employees/Management to identify any potential material event or information and to ensure timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (LODR) Regulations, 2015, to enable them to take well informed investment decisions with regard to the securities of the Company.

3. Applicability

Information relating to material events, and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchange (s). For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of shares of the Company.

- a. The Company shall make disclosure of events specified in Para A of Part A of Schedule III of the SEBI (LODR) Regulations, 2015, as may be amended from time to time, without applying any test of materiality to the stock exchanges within specified timelines.
- b. The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the SEBI (LODR) Regulations, 2015, as may be amended from time to time, based on application of the criteria for determination materiality as specified in Regulation 30 (4) of SEBI (LODR) Regulations, 2015.
- c. 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 shareholders of the Company to appraise its position and to avoid the establishment of a false market in such securities, would be disclosed as advised by the Board from time to time.
- d. The Company shall make disclosures of any events or information which, in the opinion of the Board of Directors, is material. In case where an event occurs or information is available with the company, which has not been indicated in point a, b and c, but which may have material effect on it, the Company would make adequate disclosures in regard thereof.

4. **Criteria for determination of materiality of events / information**

The Company shall consider the following criteria for determination of materiality of event / information as stated in point 3a, 3b, 3c and 3d above: -

Quantitative criteria would be calculated based on audited consolidated financial statements of the last audited financial year, and would mean event/ information where the value involved, or the impact exceeds the lower of the following:

- (a) two per cent of the turnover, or
- (b) two per cent of the net worth, except in case the arithmetic value of the net worth is negative;
- (c) 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

Qualitative criteria would mean an event/ information:

- (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) any other 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.

5. **Disclosure of material events / information**

The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- (i) thirty 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 hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

The disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines. In case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.

The Company shall make disclosures updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed, and to be disclosed to the stock exchanges with relevant explanations.

Assistance shall be provided to the concerned employees of the Company in identifying any potential material event or information and reporting the same to the authorised key managerial personnel, in terms of Regulation 30(5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchanges.

6. **Authorize Key Managerial Personnel (KMP)**

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s)

- a. Managing Director
- b. Company Secretary
- c. Chief Financial Officer

7. Verification of Reported Event/Information to the Stock Exchanges

The company shall confirm or deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than twenty four hours from the reporting of the event or information as and when it falls in the criteria specified by the stock exchanges.

8. Disclosure on the website of the Company

All such events or information which has been disclosed to stock exchanges under the SEBI (LODR) Regulation, 2015 shall be made available on the Company's website. Such events or information shall be placed on the website of the Company for a minimum period of five years. The Policy and the contact details of the persons authorized by the Board shall be hosted on the website of the Company.

9. In case an event or information is required to be disclosed by the company in terms of the provisions of regulation 30, 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.

10. Disclosure requirements for certain types of agreements binding the company

All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the company or of its holding, subsidiary and associate company, if any, who are parties to the agreements specified in clause 5A of para A of part A of schedule III (An Agreement 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 inform the company about the agreement to which such the company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements,

The agreements that subsist as on the date of notification of clause 5A to para-A of part A of schedule III, the parties to the agreements shall inform the company, about the agreement to which company is not a party and the company shall in turn disclose all such subsisting agreements to the Stock Exchanges and on its website within the timelines as specified by the Board.

11. Amendment

The Board of Directors of the Company reserves the right to amend or modify this Policy in whole or in part, as may be required, at any point of time.