

S R INDUSTRIES LIMITED

Policy of Determination of Materiality
[Pursuant to Regulation 30 & 30A of
SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015]

Policy of Determination of Materiality

Preamble:

In accordance with Regulation 30 & 30A read with schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation), our Company is committed to maintaining transparency, accountability, and good corporate governance practices. This Policy on Determination of Materiality is formulated to ensure timely and accurate disclosure of material events and information to the public or stakeholders, in compliance with the applicable regulations. The objective of this Policy is to define the criteria and procedures for determining materiality of events and information, and to ensure that such events and information are disclosed to the stock exchanges and the public in a timely and transparent manner.

Objectives:

Pursuant to the Regulation 30 read with Schedule III of the SEBI Listing Regulation, these are the primary objectives of this Policy on Determination of Materiality are:

1. To establish a framework for determining the materiality of events/information, in accordance with Regulation 30 of the Listing Regulations.
2. To ensure timely and accurate disclosure of material events/information to the Stock Exchanges, as specified in Part A of Schedule III of the Listing Regulations.
3. To outline the procedures for disclosing material events/information, including the decision-making process, timeline, and responsible personnel.
4. To maintain transparency, accountability, and good corporate governance practices, in compliance with applicable laws and regulations."

Definitions:

“Board” means the Board of Directors of S R Industries Limited.

“Company” means S R Industries Limited inclusive of its Registered Office and all Branch Offices.

“Chief Executive Officer” or “Managing Director” or “Manager” shall mean the person so appointed in terms of the Companies Act, 2013 and Listing Regulation.

“Key Managerial Personnel” mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013.

“Policy” means this Policy on determination of materiality of events.

“Regulation” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactment thereof.

"Schedule" means a schedule annexed to the Regulation.

All other words and expressions used and not defined in this Policy or the Regulation, but defined in the Act or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and / or the rules and regulations made thereunder, shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case maybe.

Materiality Criteria:

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modifications, clarifications, circulars or re-enactment thereof) (Listing Regulation), the Company shall consider the following criteria for determining the materiality of events/information:

Quantitative Criteria

1. Discontinuity or Alteration: Omission of an event or information likely to result in discontinuity or alteration of an event or information already available publicly.
2. Significant Market Reaction: Omission of an event or information likely to result in significant market reaction if the said omission came to light at a later date.
3. Financial Thresholds: Omission of an event or information whose value or expected impact exceeds the lower of:
 - a. 2% of Turnover: Two percent of turnover, as per the last audited consolidated financial statements.
 - b. 2% of Net Worth: Two percent of net worth, as per the last audited consolidated financial statements (except when net worth is negative).
 - c. 5% of Average Profit/Loss: Five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements.

Qualitative Criteria

In cases where the above quantitative criteria are not applicable, an event or information may be considered material if, in the opinion of the Board of Directors, the event or information is deemed material.

Designated Authorities

The following personnel shall be responsible for determining materiality and ensuring timely disclosure:

- a. Managing Director (MD) or Chief Financial Officer (CFO) or Company Secretary: Shall inform the Board of Directors about any event or information that may be material in nature, based on the Guidelines mentioned in this Policy.
- b. Managing Director or Chief Financial Officer or Company Secretary: Shall be the key authority to determine materiality of information.
- c. Board of Directors: Any member of the Board of Directors who considers an event or information as material in nature shall inform the Managing Director or Chief Financial Officer or Company Secretary.

Procedure for Disclosure:

In case disclosure is required, the following procedure shall be followed:

- a. Preparation of Draft Announcement: The Company Secretary or CFO or MD shall prepare a draft announcement to be submitted to the Stock Exchanges, ensuring it is factual and expressed in a clear manner.
- b. Approval: The draft announcement shall be approved by the Managing Director/Chairman of the Company.
- c. Lodgement with Stock Exchanges: The Company Secretary or MD or CFO shall lodge or arrange for lodgement of the announcement with the Stock Exchanges.
- d. Posting on Website: After lodgement with the Stock Exchanges, the Company Secretary or MD or CFO shall arrange to post the announcement on the Company's website.

Disclosure Requirements:

The Company shall make timely and accurate disclosures of material events to the Stock Exchanges where its shares are listed, in accordance with this Policy.

The Company shall consider the events specified in Part A of Schedule III of the Listing Regulations for determining materiality. Based on the materiality criteria outlined in this Policy, the Company shall make mandatory disclosures of the following events and information:

The following events/information specified in para A of Part A of Schedule III shall be considered material and disclosed to the Stock Exchanges without applying any test of materiality:

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;
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(s)Revision in Rating(s);
4. Outcome of Meetings of the Board of the Company held to consider the following:
 - a. declaration of 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 [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;
 - 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 listed entity from stock exchange(s)

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;

5A. 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: 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.

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.

6. Fraud/defaults by promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or promoter;

7. Change in Directors, Key Managerial Personnel, senior management, auditor and Compliance Officer;

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. 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 listed entity;

13. Proceedings of Annual and Extraordinary General Meetings of the listed entity;

14. Amendments to memorandum and articles of association of the listed entity, in brief;

15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

16. Disclose specified events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.

17 Intimation of Forensic audit.

18. 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.

19. 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: (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;

20. 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 to the listed entity.

21. 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.

B. EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF TEST OF MATERIALITY:

The Following Events shall be considered Material subject to the application of the guidelines mentioned in Clause (4) of regulation 30:

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 tie-up; 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. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;

10. Options to purchase securities including any ESOP / ESPS Scheme;

11. Giving of guarantees or indemnity or becoming a surety by whatever named called;

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.

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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

D. Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

Process of Disclosure of Material Information:

In the event that any Functional Head, employee, or person associated with the Company becomes aware of a material event or information about the Company, as specified in Part A of Schedule III of the Listing Regulations, they shall promptly notify the authorized officer(s) of the Company.

The authorized officer(s) shall then assess whether the event or information requires disclosure to the Stock Exchange, in accordance with this Policy and the Listing Regulations.

Upon determining the necessity of disclosure, the authorized officer(s) shall:

1. Prepare the content of the disclosure in accordance with the prescribed format.
2. Ensure timely disclosure of the event or information to the Stock Exchange or website, within the timeframe specified in this Policy.

The authorized officer(s) shall maintain a record of all disclosures made to the Stock Exchange, including the date and time of disclosure.

Regulatory Disclosure Timelines:

The Company shall disclose material events to the Stock Exchanges within the following timelines:

1. Events specified in Part A of Schedule III of the Listing Regulations: within 30 minutes of the conclusion of the Board Meeting.
2. All other material events or information:
 - 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 :

Provided that in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting:

Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

ii. Within 12 hours from the occurrence of the event or information, if emanating from within the Company.

iii. Within 24 hours from the occurrence of the event or information, if not emanating from within the Company.

Provided that if all the relevant information, in respect of claims which are made against the listed entity under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the listed entity in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the listed entity:

Explanation: Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors

Provided further that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:

Provided further that 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.

3. The Company shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information:

Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay:

Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within the timelines specified therein.

Delayed Disclosures:

In case of delayed disclosures (beyond 24 hours), the Company shall provide an explanation for the delay along with the disclosure.

Response to Stock Exchange Queries:

The authorized officer(s) of the Company shall respond to queries raised by the Stock Exchange within required working days.

Amendments to the Policy:

- a. Review and Revision: The Board and Audit Committee will review and amend this Policy as necessary.
- b. Regulatory Updates: Any subsequent amendments or modifications to relevant regulations and laws will automatically apply to this Policy.
