

S H KELKAR AND COMPANY LIMITED
POLICY ON THE CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR
INFORMATION AND DISCLOSURE THEREOF

1. Introduction:

Public companies are continually required to identify the information they are required to release to the public and determine how and when to release that information. The first step in making these determinations is deciding whether the information at issue is material or not because non-material information is not required to be disclosed. Materiality should be viewed from the perspective of anyone making an "investment recommendation or decision," not merely a decision to trade securities.

The classic legal definition of materiality generally states that information is material if its disclosure would be likely to have an impact on the price of a security or if reasonable investors would want to know the information in making a decision to buy, sell, or hold the security. In other words, information is material if it would significantly alter the total mix of information currently available in the marketplace regarding the security.

Accordingly, the Board of Directors of S H Kelkar and Company Limited has adopted the following policy and procedures with regard to determination of Materiality of events or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the said Regulations.

This Code applies to each director, officer and employee ("Official") of the Company. All Officials are required to read, understand, adhere to and help in adherence and compliance with this Code.

2. Related policies/Code:

This Policy shall be read together with the Code of Corporate Disclosure Practices for disclosure of information about the Company to the public including fair disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company to lay down the procedures and practical guidelines that would be followed by the Company for the consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive information.

3. Objective:

- a) To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations (In India and Overseas).
- b) To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the specific event or information.
- c) To ensure that to the best of the knowledge of the Management, the corporate documents and public statements are accurate and do not contain any misrepresentation.
- d) To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.
- e) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- f) To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

4. Definitions:

- a) “BIFR” means Board for Industrial & Financial Reconstruction.
- b) “Board of Directors” means the Board of Directors of the Company.
- c) “Company” means S H Kelkar and Company Limited.
- d) “Corporate Communication Section” shall mean a team comprising Chief Executive Officer, Chief Financial Officer, Head – Strategy, Vice President – Strategy and the designated Chief Investor Relations Officer.
- e) “Key Managerial Personnel” means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 and includes the officials one level below the Board.
- f) “Listing Regulations” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- g) “Policy” shall mean this Policy on the criteria for determining materiality of events or information and disclosure thereof, as amended from time to time.
- h) “Promoter” shall have the same meaning as assigned in clause (za) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- i) “Stock Exchange” means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956.

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

5. Disclosure of Events:

A. Events which are deemed to be material events and need to be disclosed to the stock exchanges within 30 minutes of the closure of the Board Meeting:

- 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 a dividend with reasons therefor
- 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 of reserves 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 which may be to subscribed 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)

B. Events which are deemed to be material events and need to be disclosed as soon as reasonably possible and not later than twenty-four (24) hours of the decision taken at the Board Meeting / occurrence of the event:

- a) 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

- b) 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.
- c) Revision in credit rating(s)
- d) Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that they impact 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
- e) Fraud/defaults by a Promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or a Promoter
- f) Change in Directors, Key Managerial Personnel, Auditor and Compliance Officer
- g) Appointment or discontinuation of share transfer agent
- h) Corporate debt restructuring
- i) One-time settlement with a bank
- j) Reference to BIFR and winding-up petition filed by any party /creditors
- k) 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
- l) Proceedings of Annual and extraordinary general meetings of the Company
- m) Amendments to memorandum and articles of association of Company, in brief
- n) Schedule of Analyst or institutional investor meets and presentations on financial results made by the Company to analysts or institutional investors

The disclosure is required to be made in the following manner:

- informing the stock exchanges on which the securities of the Company are listed
- uploading on the corporate website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the delay.

C. Other Events / Decisions considered Material in the view of Board of Directors, based on the application of the criteria for materiality as specified in Clause 6 which need to be disclosed to the stock exchanges as soon as it is possible when the necessary information is ready to be publicised:

- a) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
- b) Change in the general character or nature of the business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-ups, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal);
- c) Capacity addition or product launch;
- d) Awarding, winning/ receiving, amendment or termination of awarded/won orders/ contracts not in the normal course of business;
- e) Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in the normal course of business and revision(s) or amendment(s) or termination(s) thereof;
- f) Disruption of operations of any one or more units or divisions of the Company due to a natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
- g) Effect(s) arising out of change in the regulatory framework applicable to the Company;
- h) Litigation(s) / dispute(s) / regulatory action(s) with their possible impact;
- i) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
- j) Options to purchase securities including any ESOP/ESPS Scheme;

- k) Giving of a guarantee or an indemnity or becoming a surety for any third party;
- l) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
- m) Emergence of new technologies that is likely to affect business
- n) Expiry of patents that is likely to affect business
- o) Change of accounting policy that may have a significant impact on the accounts
- p) Any other information/event/ major development that is likely to affect business which is exclusively known to the Company and 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

6. Criteria for determination of materiality for disclosure of events / information:

Materiality of an event / information under clause 5 (C) must be subject to the following two criteria:

- a) Qualitative Criteria: Where the omission of the event/ information result in discontinuity/ alteration of information already available publicly or where the omission of the event / information can lead to creation of false market in the securities of the Company or any other event / information which should be treated as being material in the opinion of the Board of Directors of the Company. (Subjective test)
- b) Quantitative Criteria: Where the event results into change exceeding 10% of consolidated income, consolidated profit before tax or consolidated net worth, as may be applicable, based on the consolidated accounts of the Company as on the last date of the previous accounting year.

7. Authority to Determine Materiality of Events:

- a) The following officials are jointly and severally authorized to determine whether the event / information meets the materiality criteria and timeline for disclosure thereof, without any consulting any other official (“Primary Authorized Officials”):
 - Managing Director
 - Chief Executive Officer
 - Head of Strategy
- b) The following officials are jointly and severally authorized to determine whether the event / information meets the materiality criteria and timeline for disclosure thereof after consulting the Primary Authorized Officials:
 - Chief Financial Officer
 - Vice President – Strategy

8. Disclosure of events / information on Subsidiaries:

The Managing Director, Chief Executive Officer, Head of Strategy, Chief Financial Officer and Vice President – Strategy shall jointly and severally in consultation with the Board of Directors, disclose such events / information about its subsidiary which are considered material in nature and whose disclosure is likely to materially affect the share prices of the Company.

9. Disclosure on website:

- a) As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company.
- b) Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing 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 web archival policy of the Company.

10. Obligations of Internal Stakeholders and Authorized Officials for Disclosure:

- a) Determining the materiality of information is an area where judgment and experience are of great value. In addition to examining information in the context of the legal definition of materiality, one must use good judgment.
- b) Any event or information, including the information forming part of Clause 4 shall be forthwith informed to the Authorized Official(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- c) The Authorized Official(s) will then ascertain the materiality of such event(s) or information based on the above guidelines.
- d) In the event there is any question regarding the materiality of information, the information should probably be considered material and released using broad means of dissemination.
- e) On completion of the assessment, the Authorized Official(s) shall, if required, make appropriate disclosure(s) to the Stock Exchanges.

11. Authorisation to suo-moto accept / deny reported event or information:

The Managing Director, Chief Executive Officer, Head of Strategy, Chief Financial Officer, Vice President – Strategy and Chief Investor Relations Officer are hereby jointly and severally authorised to suo moto accept / deny any report event or information, which has been unauthorisedly made public by media or by any other means including but not limited to electronic means. They are further authorised to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such action taken by the said officers shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting.

12. Review:

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.