



POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURES

(Pursuant to Regulation 30 and 46(2) of the SEBI (LODR) Regulations, 2015)

1. Objective of the Policy

The objectives of this Policy are as follows:

- 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 SEBI Listing Regulations, various Securities Laws and any other legislations, as applicable.
- b. To ensure that the information disclosed by the Company is adequate, accurate, timely and transparent.
- c. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- d. To ensure that the stakeholders of the Company are equipped with necessary information and documents to make corporate, business and financial decisions.
- e. To foster a sense of openness and true ownership by being transparent and disclosing material events.
- f. To protect the confidentiality of material/price sensitive information within the context of the Company's disclosure obligations.
- g. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- h. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

2. Type of Information

The information covered by this Policy shall include "information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions" (hereinafter referred to as "material information") that



the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality. Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed based on application of materiality criteria.

Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed without any application of the guidelines for materiality.

3. Persons Responsible for Disclosure

The Board of Directors of the Company have authorized Mr. Kailash Dubal, Managing Director (Key Managerial Personnel) to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The KMP are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

The KMPs shall have the following powers and responsibilities for determining the material events or information:

- a. To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
- b. To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
- c. To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.



- d. To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the SEBI Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- e. To disclose all events or information with respect to the subsidiaries which are material for the Company.

4. Guidelines for Assessing Materiality

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria will be applicable for determining materiality of event or information:

- a. The omission of an event or information which is likely to:
 - i. result in a discontinuity or alteration of an event or information already available publicly; or
 - ii. result in significant market reaction if the said omission came to light at a later date;
- b. The omission of an event or information, whose value or the expected impact in terms of value exceeds the lower of the following:
 - i. two percent of turnover, as per the last audited consolidated financial statements of the Company; or
 - ii. Two percent of net worth, except in case of the arithmetic value of the networth is negative, as per the last audited consolidated financial statements of the Company;
 - iii. 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



Accordingly, any transactions exceeding the lower of i, ii or iii above, with an annual impact in value, will be considered for the above purposes.

c. In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

5. Guidelines for Rumour Verification

The Company shall confirm, deny or clarify any reported event or information in the mainstream media, which is not general in nature and indicates that rumours of an impending specific material event or information that are circulating amongst the investing public and also provide the current stage of such event or information. Such disclosure will be as per the timelines prescribed under SEBI Listing Regulations.

6. Guidelines for Communication

In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority or has already been made public by any authority or body.

7. Guidance on Timing of an Event or Information

In certain instances, where the material event is likely to cause any major change in the operations or financial position of the Company, the same shall be disclosed upon becoming aware of such event. Eg.: Any regulatory change which increases the cost of operations of the Company or prohibits any of the business carried out by the Company, shall be disclosed immediately upon such law, order, circular or notification becoming effective.

However, considering the price sensitivity involved, for certain events, e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending shareholders' approval.



In the former, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

8. Obligations of Internal Stakeholders and KMPs for Disclosure

- a. Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the SEBI Listing Regulations shall be forthwith informed to the KMP upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- b. The KMP will then ascertain the materiality of such event(s) or information based on the above guidelines.
- c. On completion of the assessment, the KMP shall, if required, make appropriate disclosure(s) to the stock exchanges.

9. Policy Review

The KMP may review the Policy from time to time. Material changes to the Policy will need the approval of the Board of Directors. Any subsequent amendment /modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

10. Contact Details of the KMPs

For the purpose of this policy and relevant provisions of the SEBI Listing Regulations, Mr. Kailash Dubal is authorized to determine materiality of events for disclosure. His contact details are as follows:

E-mail: skckailash@gmail.com

Address for Correspondence: No.224, 3rd Floor, SS Complex, 14th Cross, Sampige Road, Malleshwaram, Bangalore- 560003, Karnataka, India