

SOBHAGYA MERCANTILE LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF INFORMATION OR EVENT

1. INTRODUCTION

The Board of Directors (the “Board”) of Sobhagya Mercantile Limited (the “Company”) has adopted this Policy for Determination of Materiality of Information or Event for facilitating prompt disclosure of material price sensitive information to the stock exchange(s) (the “Policy”). This Policy has been prepared in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

2. OBJECTIVE

The Company has to ensure prompt disclosure of material price sensitive information/ event to the stock exchange(s), where the securities of the Company are listed, so that present and potential investors are able to take informed decision relating to their investment in the Company and to avoid creation of false market in the securities of the Company. This Policy shall act as a guidance for determining materiality of such price sensitive information.

3. DEFINITIONS

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

4. CRITERIA FOR DETERMINING OF MATERIALITY OF EVENTS / INFORMATION:

The following criteria shall be considered for determining materiality of events/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;
- c. In case where 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 of directors of the company, the event / information is considered material.

5. DISCLOSURE

Disclosure to the stock exchanges

Events/ information specified in Annexure I of this Policy are deemed to be material events and the Company shall make disclosure of such events or information to the stock exchange(s), without application of guidelines for materiality as mentioned in clause 4 of this Policy, as soon as reasonably possible but not later than twenty-four (24) hours from the occurrence of such event or information.

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

The Company shall make disclosure of events/ information as specified in Annexure II of this Policy, if considered material after application of guidelines for determining materiality as given under Clause 4 of this Policy.

Apart from the events/information given under Annexure I and Annexure II of this Policy, any other material 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 holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities, shall also be disclosed to the stock exchange(s).

The Company shall disclose to the stock exchange(s) material updates on the events/ information disclosed under this Policy till such time the event is resolved/ closed, with relevant explanations.

Without prejudice to the generality of provisions of this Policy, the Company may make disclosures of event/information as specified by the Board from time to time.

The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information:

Provided that the stock exchange(s) shall disseminate information and clarification as soon as reasonably practicable.

The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

Disclosure on Company's website

All the events/information disclosed to the stock exchange(s) shall be uploaded on the Company's website for a minimum period of 5 years and thereafter as per archival policy.

6. AUTHORITY

The Key Managerial Personnel of the Company are severally authorised for determining materiality of event/ information as specified in Annexure II of this Policy and also severally authorised for disclosing such material events/information to the stock exchange(s).

7. AUTHORITY TO MAKE ALTERATIONS

The Board of Directors are authorized to make such alterations to this policy as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the Listing Regulations and any amendment thereto from time to time.

8. 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.

Annexure I

Material events/ information to be mandatorily disclosed to the stock exchange(s)

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to the Stock Exchange(s):

- A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):
 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:
The term acquisition shall mean: -
 - (i) acquiring control, whether directly or indirectly; or,
 - (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - (a) the Company holds shares or voting rights aggregating to 5% or more of the shares or voting rights in the said company, or;
 - (b) there has been a change in holding from the last disclosure made and such change exceeds 2% of the total shareholding or voting rights in the said company.
 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. Revision in Rating(s);
 4. Outcome of Meetings of the Board of directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - 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 dividend with reasons thereof;
 - 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 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 company 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;

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, auditor and Compliance Officer;
8. Appointment or discontinuation of share transfer agent;
9. Corporate debt restructuring; ([Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions])
10. One-time settlement with a bank;
11. Reference to BIFR and 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 Company;
13. Proceedings of Annual and Extraordinary General Meetings of the Company;
14. Amendments to memorandum and articles of association of Company, in brief;
15. a) Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;
b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s),
16. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.
17. Initiation of Forensic audit

Annexure II

List of events/ information to be disclosed to the stock exchange(s) if considered material.

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (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. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or 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) (as a borrower) 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 Company 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 Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
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 for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.