

# **SHRI KANHA STAINLESS LIMITED**

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

<b>Version</b>	<b>Summary of Changes</b>	<b>Board Approval</b>	<b>Date of Release</b>
<b>Version 1</b>	<b>Initial</b>	<b>20.03.2025</b>	<b>20.03.2025</b>

## 1. **INTRODUCTION**

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), with respect to disclosure of material events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the “Policy for Determination of Materiality of Events & Information”.

The Board shall review, and if found required, may amend this Policy from time to time.

This Policy was adopted by the board of directors of the Company on 20<sup>th</sup> March 2025.

## 2. **OBJECTIVE**

The objective of the Policy is to determine Materiality of Events and Information (the “Policy”) provides a framework for determining materiality of events and information for the purpose of making disclosure to the Stock Exchanges. This policy aims to ensure timely and adequate dissemination of all material and price sensitive information to the Stock Exchanges in pursuance with the Regulations.

## 3. **DEFINITION**

**In this Policy, unless the context otherwise requires:**

- **“Act”** means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- **“Board of Directors”** or **“Board”** shall mean the Board of Directors of Shri Kanha Stainless Limited, as constituted from time to time.
- **“Company”** means Shri Kanha Stainless Limited.
- **“Key Managerial Personnel”** means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- **“LODR Regulations”** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **“Net Worth”** shall have the meaning assigned to it in Section 2(57) of the Act;
- **“Policy”** means this policy, as amended from time to time.
- **“SEBI”** means the Securities and Exchange Board of India.
- **“Rules”** means the rules made under the Act.
- **“Stock Exchange(s)”** means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.
- **“Turnover”** shall have the meaning assigned to it in Section 2(91) of the Act;

All other words and expressions used but not defined in this Policy, shall have the same meaning as assigned to it under the LODR Regulations, the Act, the SEBI Act, 1992 (“SEBI Act”) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), the Industry Standard Note issued by Industry Standard Forum as referred in SEBI Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/52 dated May 21, 2024 or any other circular, guidelines or clarification issued by the SEBI, Stock Exchanges, Industry Standard Forum or any other authority.

#### **4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS**

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR Regulations (as applicable from time to time) (“Para A Events”) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

#### **5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY:**

The Company shall disclose all such material events or information pertaining to itself or to its subsidiary(ies), specified in Para B of Part A of Schedule III of the LODR Regulations (“Para B Events”) subject to application of guidelines for materiality, as set out under the LODR Regulations.

#### **GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

**Quantitative criteria** would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:



- a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or
- b) 2% (two per cent) of consolidated net worth as per the last audited consolidated financial statements of the Company (except in case the arithmetic value of the net worth is negative); or
- c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

**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.

## **6. GUIDELINES ON OCCURRENCE OF AN EVENT/INFORMATION & ITS TIMELY DISCLOSURE**

The occurrence of material events/information could be either emanating from within or outside the listed entity by the Company's own accord or for reasons not in the hands of the Company. It can be categorized as under:

- a) depends upon the stage of discussion, negotiation or approval; and
- b) in case of natural calamities disrupting operations etc., it would depend upon the timing when the company became aware of the event/information.



In respect of the events under 6(a), the events/information can be said to have occurred upon receipt of approval of the Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

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 Shareholder's approval. Approvals other than final approvals, such as in-principal approvals, exploratory approvals etc. will not require disclosure under this Code.

In respect of the events under 6(b), 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 entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

#### **7. AUTHORISATION TO DISCLOSE**

The Board will authorize one or more Key Managerial Personnel for the purpose of determining Materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges.

The Key Managerial Personnel, authorized for the purpose, will be responsible for administering this Policy, determining the materiality of events or information in relation to the Company and monitoring compliance by the Company with disclosure obligations applicable to it.

The contact details of the Key Managerial Personnel, so authorized, will be disclosed to the Stock Exchanges and will be placed on the website of the Company.

#### **8. CONTINUOUS DISCLOSURE**

The Company will, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved or closed, with relevant explanations.

#### **9. PUBLICATION OF POLICY**

This Policy for determination of Materiality, as approved by the Board, will be disclosed on the website of the Company.



## **10. AMENDMENT**

The Board reserves its right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or Applicable Law.

## **11. INTERPRETATION**

In any circumstance where the terms of this Policy differ from any Applicable Law governing the Company, such Applicable Law will take precedence over this Policy and the procedures there under until such time as this Policy is modified in conformity with the Applicable Law.

## **12. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the LODR Regulations, as amended from time to time, the LODR Regulations shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.