

KEERTHI INDUSTRIES LIMITED

POLICY FOR DETERMINATION OF
MATERIALITY UNDER REGULATION
30 OF THE SEBI (LISTING
OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS,
2015-(Policy as on February 10, 2023)

I. Objective

To make disclosures of any event(s) or information (s) specified in Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also, to make disclosures of any event(s) or information (s) specified in Para B of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or such other information or event which deemed material based on the application of the test of materiality.

To decide the appropriate time for making requisite disclosures to the Stock Exchanges.

II. Test of Materiality

As per Regulation 30 of SEBI Listing Regulations, events specified in Para A of Part A of Schedule III are deemed to be material events and the listed entity shall make disclosure of such events to the Stock Exchange without the application of 'materiality'.

Further, the events enlisted under Para B of Part A of Schedule III shall be disclosed to the Stock Exchange, based on the application of the guidelines for materiality. The listed entity shall consider the following criteria for determination of 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;
- 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 Listed Entity, the event / information is considered material.

III. Authorization for the Purpose of Determining Materiality of an event or the information:

The Key Managerial Personnel (KMP) comprising of the Executive Chairperson, Managing Director, Chief Financial Officer (CFO) and the Company Secretary (CS) be authorised to determine the materiality of an event or information on the basis of the information available to them or made available to them by the concerned department HOD, for the purpose of making disclosure to the Stock Exchange(s) under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Concerned Department Head is under obligation and is duty bound to disclose the information or occurrence of such event to any one of the KMP for determining the materiality of such event or information.

An indicative list of events which shall mandatorily be disclosed by the Department Head to any one of the KMPs mentioned above are as under:

- 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 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) Litigation(s) / dispute(s) / regulatory action(s) with impact
- 9) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
- 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.

13) 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.

IV. Authorization for the Purpose of making Disclosure to the Stock Exchanges:

The Company Secretary and the Managing Director are severally authorised to disseminate any material event or information to the Stock Exchanges.