



## **POLICY FOR DISCLOSURE OF EVENT/INFORMATION AND DETERMINATION OF MATERIALITY**

### **PREAMBLE**

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations), McLeod Russel India Limited (the Company/MRIL) has formulated and published on its website, a policy for determination of the materiality of the events or information of the Company which was adequately disseminated to the Stock Exchanges.

The policy was previously amended by the Board through circular on 29<sup>th</sup> March 2022 pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2015.

SEBI has further amended the disclosure requirements to be made by listed entities in terms of Regulation 30 and 30A (newly inserted) vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2015 effective from 14.07.2023. SEBI has further vide its circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13<sup>th</sup> July 2023 which has been made effective w.e.f. 15<sup>th</sup> July 2023 has specified as below:

Annexure I – specifies the details that need to be provided while disclosing events given in Part A of Schedule III.

Annexure II – specifies the timelines for disclosing events given in Part A of Schedule III

Annexure III – provides guidance on when an event/information can be said to have occurred

Annexure IV – provides guidance on the criteria for determination of materiality of events/information.

Accordingly in supersession of the previous policy, the Board of Directors at its Meeting held on 14<sup>th</sup> August 2023 has amended the policy for determination of the materiality of the events or information of the Company in accordance with the requirement of the said amended Regulations and circular.

### **OBJECTIVES**

The Objective of the Policy is to ascertain the requirement for disclosure of events/information to the Stock Exchanges, to determine the materiality of events or information of the Company based on criteria specified under Regulation 30 (4) (i) of the Listing Regulations and to ensure that such information is adequately disseminated to the Stock Exchanges.

## DISCLOSURES OF EVENTS OR INFORMATION

The following are the events/information, upon occurrence of which the Company is required to make timely disclosures to the Stock Exchanges:

***A. Events/Information as specified in para A of Part A of Schedule III to the Listing Regulations, to be disclosed without any application of the guidelines for materiality :***

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation (1): 'Acquisition' shall mean,-

- a. acquiring control, whether directly or indirectly; or,
- b. acquiring or agreement to acquire shares or voting rights in a Company whether existing or to be incorporated, whether directly or indirectly, such that –
  - i) the Company holds shares or voting rights aggregating to 5% or more of the shares or voting rights in the said Company, or;
  - ii) there has been a change in holding from the last disclosure made under sub-clause i) of Clause (b) of the Explanation to this sub-para and such change exceeds 2% of the total shareholding or voting rights in the said Company, or;
  - iii) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (2): For the purpose of this sub-paragraph, "sale or disposal of subsidiary" and "sale of stake in associate company" shall include –

- (i) an agreement to sell or sale of shares or voting rights in a company such that the Company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or
- (ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold as specified in sub clause (c) of clause (i) of sub regulation (4) of regulation 30.

Explanation (3) – For the purpose of this sub-paragraph, "undertaking" and "substantially the whole of the undertaking" shall have the same meaning as given under Section 180 of the Companies Act, 2013.

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. New Rating(s) or 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).

[Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.]

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.

5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or third party, solely or jointly, which, either, directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the stock exchanges, including disclosure of any rescission, amendment or alteration or such agreements thereto, whether or not the listed entity is a party to such agreements;

Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation: For the purpose of this clause, the term "directly" or "indirectly" includes agreements creating obligations on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

6. Fraud/defaults by a listed entity, its promoter, director or key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior

management, promoter, director of the listed entity, whether occurred within India or abroad:

For the purpose of this sub paragraph:

(i) 'Fraud' shall include fraud as defined under Regulation 2(1) (c) of the Securities and Exchange Board of India (Prohibition of Fraudulent or Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(ii) 'Default' shall mean the non – payment of interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1 – In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2 – Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
- 7A. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 7B. Resignation of Independent Director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
  - i. The letter of Resignation along with detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
  - ii. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any
  - iii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
  - iv. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) and (ii) above.
- 7C. In case of resignation of key managerial personnel, senior management, compliance officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, compliance officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.

- 7D. In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability shall be disclosed to the stock exchanges.
8. Appointment or discontinuation of share transfer agent.
  9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
    - (i) Decision to initiate resolution of loans/borrowings;
    - (ii) Signing of Inter Creditors Agreement (ICA) by lenders;
    - (iii) Finalization of Resolution Plan;
    - (iv) Implementation of Resolution Plan
    - (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
  10. One time settlement with a bank.
  11. 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.
  13. Proceedings of Annual and extraordinary general meetings of the Company.
  14. Amendments to Memorandum & Articles of Association of the Company, in brief.
  15. a) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of intimation and the date of the meet) and presentations made by the Company to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means

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), in the following manner:

(i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty four hours from the conclusion of such calls, whichever is earlier;

(ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.

The requirement of disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022]

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:

- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
- d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- k) Approval of resolution plan by the Tribunal or rejection, if applicable;
- l) Specific features and details of the resolution plan as approved by the adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
  - i. Pre and Post net - worth of the company;
  - ii. Details of assets of the company post CIRP;
  - iii. Details of securities continuing to be imposed on the companies' assets
  - iv. Other material liabilities imposed on the company;
  - v. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
  - vi. Details of funds infused in the company, creditors paid – off;
  - vii. Additional liability on the incoming investors due to the transaction, source of such funding etc;
  - viii. Impact on the investor –revised P/E, RONW ratios etc.;
  - ix. Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
  - x. Brief description of business strategy.
- m) Any other material information not involving commercial secrets.
- n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o) Quarterly disclosure of the status of achieving the MPS;
- p) The details as to the delisting plans, if any approved in the resolution plan.

17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:

- a) The fact of initiation of forensic audit along - with name of entity initiating the audit and reasons for the same, if available;
- b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.

Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:

- (a) Search or seizure; or
- (b) re - opening of accounts under section 130 of the Companies Act, 2013; or
- (c) Investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
  - i. name of the authority;
  - ii. nature and details of the action(s) taken, initiated or order(s) passed;
  - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
  - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
  - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:

- (a) suspension;
  - (b) imposition of fine or penalty;
  - (c) settlement of proceedings;
  - (d) debarment;
  - (e) disqualification;
  - (f) closure of operations;
  - (g) sanctions imposed;
  - (h) warning or caution; or
  - (i) any other similar action(s) by whatever name called;
- along with the following details pertaining to the actions(s) initiated, taken or orders passed:
- i. name of the authority;
  - ii. nature and details of the action(s) taken, initiated or order(s) passed;
  - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;

- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

21. Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.

**B. Events/Information as specified in para B of Part A of Schedule III to the Listing Regulations to be disclosed upon application of the guidelines for materiality as specified below:**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the listed entity:
  - (a) Arrangements for strategic, technical, manufacturing, or marketing tie-up; or
  - (b) Adoption of new line(s) of business; or
  - (c) Closure of operation of any unit, division or subsidiary (in entirety or in 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) 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. Pendency of any Litigation(s) or dispute(s) or outcome thereof which may have an impact on the listed entity.
9. Fraud/defaults etc. by employees of Company which has or may have an impact on the listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues etc. to any regulatory, statutory, enforcement or judicial authority.

**C. Any Other Event/Information viz. Major Development that is likely to affect Business to be disclosed, including but not restricted to the following**

1. Emergence of new technologies,
2. Expiry of patents,



3. Changes in accounting policy that may have a significant impact on the accounts etc. and brief details thereof
4. Any other information 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.

**D. Any Event/Information as specified to be disclosed by the Board of Directors of the Company.**

**E. Criteria for determination of materiality of events/information as enumerated in Para B, C and D above**

The Company shall consider the following criteria as specified in Regulation 30(4)(i) of the Listing Regulations for determining the materiality of events/information as specified in Para B, C and D above:

1. The omission of an event/information likely to result in discontinuity or alteration of event or information already available publicly; or
2. The omission of an event/information likely to result in significant market reaction if the said omission came to light at a later date: or
3. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - (a) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
  - (b) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
  - (c) 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 listed entity;
4. In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material:

Provided that any continuing event or information which becomes material pursuant to notification of these amendment regulations shall be disclosed by the listed entity within thirty days from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.]

**Procedure for Disclosure of Events or Information**

Unless otherwise decided by the Board of Directors, the following Key Managerial Personnel, being the Managing Director, the Wholetime Director, the Chief Financial Officer and the Company Secretary of the Company, for the time being, of the Company, are authorized jointly/severally for the purpose of determining the materiality of an event or information in accordance with the criteria as enumerated in this policy and make disclosures to the Stock Exchange.

The Contact details of the Company Secretary (also the Compliance Officer), who shall act as coordinator between the Managing Director, the Wholetime Director, the Chief Financial Officer and the stakeholders shall be disclosed to the Stock Exchange(s) and also be disclosed on the Company's Website.

The Key Managerial Personnel shall observe the following for proper and timely disclosure of any material events or information as defined hereon:

1. On receipt of communication of any potential material event or information the Key Managerial Personnel shall refer to this policy and regulations for the purpose of determining the materiality of the event or information and after verifying its accuracy assess whether the event or information is required to be disclosed to the Stock Exchanges under the Listing Regulations.
2. The Company shall make disclosure to the Stock Exchange(s) of all events or information which are material in terms of the provisions of Regulation as soon as reasonably possible and in any case not later than the following:
  - (i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
  - (ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
  - (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.

3. In case the disclosure is made after the timelines specified under Regulation 30, the Company shall, along with such disclosures shall provide explanation for delay.
4. The disclosure with respect to events specified in Point No. 4 to Para A above and as also specified in sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations shall be made within the timelines specified therein.
5. The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
6. The Company shall disclose on its website all such events or information years with respect to subsidiaries which are material for the Company which has been disclosed to the stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the company for a minimum period of five years with respect to subsidiaries which are material for the Company.
7. The Company shall provide specific and adequate reply to all queries raised by Stock Exchange(s) with respect to any events or information.
8. The Company may on its own initiative also, confirm or deny any reported event or information to Stock Exchange(s):

9. In case where an event occurs or information is available with the Company, which has not been indicated above, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.
10. In case an event or information is required to be disclosed by the Company in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

**Disclosure requirements for certain types of agreements binding the company:**

- (1) All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to these regulations, shall inform the company about the agreement to which the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements:

Provided that for the agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III, the parties to the agreements shall inform the Company, about the agreement to which the Company is not a party and the Company shall in turn disclose all such subsisting agreements to the Stock Exchanges and on its website within the timelines as specified by the Board.

- (2) The listed entity shall disclose the number of agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III, their salient features, including the link to the webpage where the complete details of such agreements are available, in the Annual Report for the financial year 2022-23 or for the financial year 2023-24.]

**Disclosure/Amendment**

The Policy shall be disclosed on the Website of the Company alongwith the relevant circular specifying the documents to be provided while making disclosure for events mentioned in Schedule III and a copy of the Policy shall also be circulated to the Directors, employees, functional heads, head of Departments, Vice Presidents of the Company.

The right to interpret/amend/modify this Policy vests in the Board of Directors of the Company.

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