

# **INDAG RUBBER LIMITED**

**(CIN-L74899DL1978PLC009038)**

## **Policy for Determination of Materiality of Events**

**(updated w.e.f. July 14, 2023)**

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## **Policy for Determination of Materiality of events**

### **1. INTRODUCTION**

1.1 The Board of Directors of Indag Rubber Limited (hereinafter referred to “**Company**”) have adopted a Policy for determination of materiality of events (hereinafter referred to as “**Policy**”). The Policy aims for disclosure of important and material events of the Company to the Stock Exchange where the equity shares are listed, to stakeholders in compliance with the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “**Regulations**”).

### **2. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION RELATING TO THE COMPANY**

2.1 Events or information specified in Para A of Part A of Schedule III of the Regulation as amended from time to time shall be disclosed to the Stock Exchange which are as under:

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

Explanation (1)- For the purpose of this sub-paragraph, the word 'acquisition' shall mean,-

(i) acquiring control, whether directly or indirectly; or,

(ii) acquiring or agreement to acquire shares or voting rights in, a company, whether existing or to be incorporated whether directly or indirectly, such that –

(a)- the Company holds shares or voting rights aggregating to five per cent 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 under sub-clause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company.

(c) 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 Company; 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 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.]

b) 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.

c) New Rating(s) or Revision in Rating(s).

d) 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:

- i) 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;
- ii) any cancellation of dividend with reasons thereof;
- iii) the decision on buyback of securities;
- iv) the decision with respect to fund raising proposed to be undertaken
- v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- vi) 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;
- vii) short particulars of any other alterations of capital, including calls;
- viii) financial results;
- ix) decision on voluntary delisting by the Company from stock exchange(s).

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.

e) 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.

f) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a 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 Company or impose any restriction or create any liability upon the Company, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

Such agreements entered into by a Company 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 Company 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 obligation on the parties to such agreements to ensure that Company shall or shall not act in a particular manner.

g) Fraud/defaults by the Company, its promoters, directors, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoters or directors of the Company, 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 Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- (ii) ‘Default’ shall mean non-payment of the 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.

h) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer, with such information/ documents as specified by SEBI from time to time

In case the Managing Director or Chief Executive Officer of the Company 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 shall be disclosed along with the reasons for such indisposition or unavailability.

- i). Appointment or discontinuation of share transfer agent.
- j) Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the details specified by SEBI from time to time
- k) One time settlement with a bank.
- l) Winding-up petition filed by any party / creditors.
- m) 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.
- n) Proceedings of Annual and extraordinary general meetings of the Company.
- o) Amendments to memorandum and articles of association of Company, in brief.
- p) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors with such details as specified by SEBI from time to time.
- q) In event of Corporate insolvency Resolution Process, details specified by SEBI from time to time.
- r) Initiation of forensic audit, along with details as specified by SEBI from time to time.
- s) Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material for the Company in terms of these regulations and is not already made available in the public domain by the Company.
- t) Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:
  - i) search or seizure;
  - ii) re-opening of accounts under section 130 of the Companies Act, 2013;
  - iii) investigation under the provisions of Chapter XIV of the Companies Act, 2013 along with details as specified by SEBI from time to time.

u) Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of suspension, imposition of fine or penalty, settlement of proceedings, debarment, disqualification, closure of operations, sanctions imposed, warning or caution any other similar action(s) by whatever name called, along with details specified by SEBI from time to time.

Events specified in (t) and (u) shall not be disclosed to the Stock Exchange, if such disclosure is prohibited by such Authority.

v) Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013

2.2. Events specified in Para A Part-B of Schedule III of Listing Regulations, given as under, shall be disclosed to the Stock Exchange if they meet the criteria of materiality, as given in Clause 2.3.

- a) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/divisions.
- b) Arrangements for strategic, technical, manufacturing, or marketing tie – up, adoption of new lines of business or closure of operations of a unit, division or subsidiary (entirely or piecemeal)
- c) Capacity addition or product launch
- d) Awarding, bagging/receiving, amendment or termination of awarded /bagged orders/contracts not in normal course
- e) Agreements (viz; loan agreement(s) or any other 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.
- f) 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.
- g) Effect(s) arising out of change in the regulatory framework applicable to the Company.
- h) Pendency of any litigation(s)/dispute(s) or the outcome thereof which may have an impact on the Company
- i) Fraud/defaults etc. by employees of Company which has or may have an impact on the Company.
- j) Options to purchase securities including any ESOP/ESPS Scheme
- k) Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party
- l) Granting, withdrawal, surrender , cancellation or suspension of key licenses or regulatory approvals.
- m) Delay or default in the payment of fines, penalties, dues etc. to any regulatory, statutory, enforcement of judicial authority.

2.3 The above events/information (specified in Para B of Part A of Schedule III) may be deemed material, if:

- 1) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- 2) The omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date;
- 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 Company;
  - b) two percent of 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
  - 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 Company;
- 4) In case where the criteria specified in sub-clauses (1), (2) and (3) 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.

2.4 Any other information/event as specified in Part C of Part A of Schedule III 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.

2.5 Without prejudice to the generality of para above, the company shall disclose material event/information to the stock exchange as specified by SEBI from time to time.

### **3. TIMELINES FOR DISCLOSURE OF MATERIAL EVENTS OR INFORMATION:**

Such events shall be disclosed to the Exchange, 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 Company;
- iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company:

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

The Disclosures and any material developments in the same shall also be disclosed to the Exchange(s), till the time the event is resolved/ closed, with relevant explanations.

The Company shall also disclose all material events or information for its material subsidiaries.

4. The Board of Directors of the Company has severally authorised Chairman & Managing Director and Whole time Director for the purpose of determining materiality of an event.
5. Chief Financial Officer and Company Secretary are severally authorized for the purpose of making such disclosures to stock exchange(s).
6. To comply with the above requirements within specified timelines, all employees of the Company are advised to identify the potential material event or information basis the criteria given above and report the same to persons specified in Clause 5 above on priority. Should any employee require any assistance in determining whether an event should fall under ambit of materiality or not, he can consult this with persons mentioned above.

This Policy may be amended any time as approved by the Board of Directors of the Company, in order to be in compliance with the Regulation.