



Kiri Industries Limited

Future Full of Colours.....

CIN-L24231GJ1998PLC034094

POLICY FOR DETERMINATION OF MATERIALITY

**[In Accordance with regulation 30 of SEBI (Listing Obligations and Disclosure Requirement), 2015]
(Amended on November 08, 2023)**



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1. BACKGROUND AND SCOPE:

This Policy is framed in accordance with the requirements of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**") for determination of materiality of events /information required to be disclosed to the Stock Exchange based on the criteria specified in the regulation and duly approved by the Board of Directors (**the "Board"**) and the same is also required to be disclosed on the Company's website.

The Board of Kiri Industries Limited (**the "Company"**) had adopted "Material Events Policy" effective from November 07, 2015. The Board have adopted the "Policy for Determination of Materiality" at their meeting held on February 13, 2019 which have been effective from April 01, 2019 in substitution of earlier policy. Further, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated June 14, 2023, the Board at its meeting held on November 08, 2023 has approved and adopted the amended or revised "Policy for Determination of Materiality".

The Board of Directors of the Company shall authorise one or more Key Managerial Personnel for the purpose of determining materiality of an event or information for the purpose of making disclosures.

This policy shall assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel (KMP) for determining the materiality of an event or information and for making the necessary disclosures to the Stock Exchange(s).

The objective of this policy is to define and determine materiality of events and information and to ensure that such information is adequately disseminated. This policy describes, inter alia, the illustrative list of events or information which are considered to be material as per the Regulations and/ or in the opinion of Board. The Board vide this Policy has attempted to prescribe governance framework for deciding the magnitude of the materiality of events and information.

2. DEFINITION:

In this Policy, unless the context otherwise requires:

- i) "**Board**" shall mean the Board of Directors of Kiri Industries Limited and shall include any Committee thereof authorised for the purpose.
- ii) "**Company**" shall mean Kiri Industries Limited.
- iii) "**Compliance Officer**" means Company Secretary of the Company or such other person as may be authorized by the Board.
- iv) "**Committee**" means any Committee formed under the delegated authority of the Board.
- v) "**Key Managerial Personnel**" means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

- vi) "**Listing Regulations**" shall mean SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- vii) "**Material events**" means the an event, individual transaction or arrangement which, in the opinion of the authorised Key Managerial Personnel is significant to the operations or performance of the Company as well as any price sensitive information.
- viii) "**Net worth**" means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.
- ix) "**Price-sensitive information**" means any information which relates, directly or indirectly, to the Company that is not generally available and which upon becoming generally available is likely to materially affect the price of securities of the Company.
- x) "**Stock Exchange**" means a recognized stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 on which Equity shares of the Company are listed.
- xi) "**Turnover**" means turnover as defined under Section 2(91) of the Companies Act, 2013.

All other words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Listing Regulation and/or Companies Act, 2013.

3. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

This policy sets forth the guidelines for disclosure of material events or information.

1. Category A - Events or information

Category A refers to such events or information which are deemed to be material events or information without any application of the guidelines for materiality.

The indicative list of such events or information are given as an **Annexure I**.

2. Category B - Events or information

Category B refers to such events or information which are proved to be material on the application of the following criteria:

- a. Omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly, or
- b. 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, or
- c. Omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - 1. 2% of turnover, as per the last audited consolidated financial statements of the Company;
 - 2. 2% 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;

3. 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

Note: In respect to the above, 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.

- d. 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 Company, the event or information is considered material:

The indicative list of such event or information is given as an **Annexure II**.

4. DISCLOSURE AND GENERAL OBLIGATIONS:

1. Executive Directors, Chief Financial Officer and Company Secretary of the Company, are authorised under Regulation 30 (5) of the Listing Regulations, for the purpose of determining materiality of an event or information falls within the materiality threshold as mentioned under Clause 3 of this policy and for the purpose of making disclosures to stock exchange(s). The contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the Company's website.
2. Pursuant to the Regulation 30(6) of the Listing Regulations, the Company shall disclose all material events / information first to the Stock Exchange(s) as soon as reasonably possible and in any case not later than the following:
 - a. thirty minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information has been taken;
 - b. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
 - c. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Further, disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the Listing Regulations read with Annexure II of SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 shall be made within such timelines.

In case the disclosure is made after the timelines specified under the regulation, the Company shall, along with such disclosure shall provide the explanation for the delay.

3. The Company shall, with respect to disclosures referred to in this Policy and Regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
4. The information disclosed to the Stock Exchange(s) shall be also placed on the website of the Company and the Company shall ensure that such information is hosted for a minimum period of 5 years. Thereafter the information may be handled as per the archival policy of the Company as disclosed on its website.

5. The Company shall disclose all events or information which are material for the Company with respect to its material subsidiaries in accordance with this policy.
6. The Company shall provide specific and adequate reply to all queries raised by stock exchange with respect to any events or information.
7. The Company shall also on its own initiative, confirm or deny any reported event or information to the stock exchange(s).
8. The material events or information which are not contained in the Policy but are considered to be material in the opinion of the Company shall also be disclosed to the Stock Exchange. Annexure I & Annexure II are to be read in conjunction with the Listing Regulations and any proposed changes in the Listing Regulations in the said regard shall apply mutatis mutandis to the Annexures forming part of this Policy.

6. IMPLEMENTATION

The Company shall adhere to the highest standards with regard to the implementation of this policy. The Executive Director(s) and Compliance Officer as well as Authorised Key Managerial Personnel of the Company shall have overall responsibility for implementing of this policy and shall take internal/external approvals, wherever necessary.

In the event of any conflict between the provisions of this Policy and any existing or newly enacted law, rule, regulation or standard governing the Company, then such law, rule, regulation or standard shall prevail over this policy until this policy is changed to conform to the law, rule, regulation or standard.

7. REVIEW AND AMENDMENT

The Board of Directors of the Company shall have the right to review/amend the policy from time to time in compliance with regulatory requirements.

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ANNEXURE - I

Indicative List of events or information deemed to be material without any application of the guidelines for materiality

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or 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)- "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 and such change exceeds two per cent of the total shareholding or voting rights in the said company; or
 - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in Clause 3.

Explanation (2)-"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;
- (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 Clause 3.

Explanation (3) - "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. The following outcome of meetings of the Board shall be disclosed to the Exchange within 30 minutes from the closure of the meeting:
 - 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 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, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that 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

- 6. Fraud or defaults by a Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director 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 Company.

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 Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:
 - i. The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the disclosures 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 Company within seven days from the date that such resignation comes into effect.
- 7D. 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 along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
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 by the Company.
13. Proceedings of Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and 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 the 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.
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 personnel, 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 Company:
- 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 Company 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 Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company.
- 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 Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, 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 Company, 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 Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, 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 Company, quantifiable in monetary terms to the extent possible.

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

ANNEXURE - II

Indicative List of events or information considered to be material upon application of the guidelines for materiality

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 Company:
 - 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 the outcome thereof which may have an impact on the Company.
9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.
10. Options to purchase securities including any ESOP / ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety by whatever named 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.
14. 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 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.

Without prejudice to the generality of Annexure I and II above, the Company may make disclosures of event/information as specified by its Board of Directors from time to time.

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