

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

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POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

1. INTRODUCTION

The Board of Directors (Board) of the Company has adopted the following policy and procedure with regard to Determination of Materiality of event or information for facilitating prompt disclosure of material price sensitive information to the Stock Exchange(s). This policy is framed as per requirement of Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 ("the **Listing Regulations**").

2. OBJECTIVE

The Company has to ensure prompt disclosure of material price sensitive information/event to the Stock Exchange(s), where the securities of the Company are listed, so that present and potential investors are able to take informed decision relating to their investment in the Company and also to avoid creation of false market in the securities of the Company. This Policy shall act as a guidance for determining materiality of such price sensitive information

3. EFFECTIVE DATE

This Policy is effective From December 1, 2015.

4. DEFINITIONS

The capitalized terms used in this Policy shall have the meaning ascribed to such terms in the Companies Act, 2013, rules made thereunder and the Listing Regulations (collectively, the "**Statutory Provisions**"), as the case may be.

5. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

Events / information shall be considered as Material if it meets any of the following criteria:

a) the event or information is in any manner unpublished price sensitive information; or

b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or



- c) 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
- d) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - (1) two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - (2) 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;
 - (3) 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; and
- (e) Any event/information which directly or indirectly may materially affect the reputation of the Company; or
- (f) Any event/information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
- (g) Whether the event/information is in the ordinary course of business; or
- (h) Whether the event/information represents a significant shift in strategy and is an exit from, or entry to, a significant line of business; or
- (i) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company;

6. DISCLOSURES OF EVENTS OR INFORMATION

- a) Events/information specified in Annexure A of this Policy are deemed to be material events and the Company shall make disclosure of such events/information to the Stock Exchanges along with uploading the same on the website of the Company, without application of guidelines for materiality as mentioned in Clause 5 of this Policy in the following manner:
 - ❖ 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;

Provided that in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting:

Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty



minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

- ❖ twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- ❖ 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 if all the relevant information, in respect of claims which are made against the listed entity under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the listed entity in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the listed entity.

Provided further that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be made within such timelines.

In case the disclosure is made after the timelines specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall, along with such disclosures provide explanation for the delay.

Explanation: Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.

- b. The Company shall make disclosure of events as specified in Annexure B based on application of guidelines for determining Materiality as per the Policy.
- c. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- d. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.
- e. In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.
- f. The Company shall disclose all events or information with respect to subsidiaries which are material in nature.



- g. In case of event or information is required to be disclosed by the Company 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.
- h. Without prejudice to the generality of provisions of this Policy, the Company may make disclosures of events/information as specified by the Board from time to time.

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's Policy for Preservation of Documents.

7. ANY OTHER INFORMATION/EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY

Any other Major development /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, shall be disclosed to the Stock Exchange.

8. AUTHORITY

Managing Director/Whole-Time Director/Chief Executive Officer, Chief Financial Officer and the Company Secretary/Compliance Officer of the Company shall severally have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

9. REVIEW AND AMENDMENT

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the Statutory Provisions and remain effective.

This Policy shall be reviewed periodically and may be amended by the Managing Director/Whole-Time Director/Chief Executive Officer, as may be deemed necessary.

12. INTERPRETATION

In case of any conflict between the provisions of this Policy and of Statutory Provisions, the Statutory Provisions shall prevail over this Policy. Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this Policy.

This Policy shall be disclosed on the website of the Company i.e www.pilaniinvestment.com



Events which shall be disclosed 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.

The term acquisition shall mean:-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - (a) the Company holds shares or voting rights aggregating to 20% 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 and such change exceeds 5% 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 5 of this policy.

Provided that acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last disclosure made under this proviso exceeding two per cent of the total shareholding or voting rights in the said unlisted company shall be disclosed on a quarterly basis in the format as may be specified.

The terms "sale or disposal of subsidiary" and "sale of stake in associate company" shall mean:

- (i) an agreement to sell / sale of shares / 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 Clause 5 of this policy.]
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), held to consider the following:



- a) dividends 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 including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method;
 - 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).
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.
6. [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.



7. 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.
8. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
9. 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.
10. 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:
 - i. The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - 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 disclosures as specified in sub-clause (i) and (ii) above.
11. 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 within seven days from the date that such resignation comes into effect.
12. 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).
13. Appointment or discontinuation of share transfer agent.
14. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions.
15. One time settlement with a bank.
16. Winding-up petition filed by any party / creditors.



17. 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.
18. Proceedings of Annual and extraordinary general meetings of the Company.
19. Amendments to memorandum and articles of association of Company, in brief.
20. A.
 - i. Schedule of Analyst or institutional investor meet at least two working days in advance (excluding the date of the intimation and the date of the meet)
 - ii. Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed to the recognized stock exchanges prior to beginning of such events.

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

Disclosure of names in the schedule of analysts or institutional investors meet shall be optional for the listed entity.

B.

Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:

- i. The audio 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 video recordings, if any, shall be made available on the website within forty- eight hours from the conclusion of such calls;
 - iii. the transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchanges within five working days of the conclusion of such calls.
21. Events in relation to the corporate insolvency resolution process (CIRP) against the Company under the Insolvency Code.
 22. Initiation of Forensic audit
 23. 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 and is not already made available in the public domain by the Company.



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

24. 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:
- search or seizure; or
 - re-opening of accounts under section 130 of the Companies Act, 2013; or
 - investigation under the provisions of Chapter XIV of the Companies Act, 2013;
25. 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:
- suspension;
 - imposition of fine or penalty;
 - settlement of proceedings;
 - debarment;
 - disqualification;
 - closure of operations;
 - sanctions imposed;
 - warning or caution; or
 - any other similar action(s) by whatever name called

Explanation – Imposition of fine or penalty shall be disclosed in the following manner along with the details pertaining to the action(s) taken or orders passed as mentioned in the sub-paragraph:

- disclosure of fine or penalty of rupees one lakh or more imposed by sectoral regulator or enforcement agency and fine or penalty of rupees ten lakhs or more imposed by other authority or judicial body shall be disclosed within twenty four hours.
 - disclosure of fine or penalty imposed which are lower than the monetary thresholds specified in the clause (i) above on a quarterly basis in the format as may be specified.
26. 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 B

List of events/ information to be disclosed to the stock exchange(s) if considered material.

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any arrangements for strategic, technical, manufacturing, or marketing tie-up or adoption of new line(s) of business, or 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) (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 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.

