

POLICY FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION

1. INTRODUCTION AND POLICY OBJECTIVES:

1.1. Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), every listed entity is required to make disclosures of events or information which, in the opinion of the board of directors of the listed entity, is material.

Events specified in Para A of Part A of Schedule III of the Listing Regulations are deemed to be material events and listed entity shall make disclosure of such events. Further, the listed entity shall make disclosure of events specified in Para B of Part A of Schedule III of the Listing Regulations, based on application of the guidelines for materiality, as specified in Regulation 30(4) of the Listing Regulations.

As per Regulation 30(4)(ii) of the Listing Regulations, a listed entity shall frame policy for determination of materiality, based on criteria specified in that Regulation, duly approved by its board of directors, which shall be disclosed on its website.

1.2. In view of the above, the Board of Directors (“**Board**”) of ISMT Limited (“**ISMT/ Company**”) adopted the ‘Policy for Determination of Material Events or Information’ (“**Policy**”) in its meeting held on 13 February 2016.

1.3. On 14 June 2023, SEBI notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“**LODR 2023 Amendment**”) *inter alia* amending the criteria for determination of materiality of events/ information specified in Para B of Part A of Schedule III of the Listing Regulations. In view of the above, this Policy has been amended by the Board of the Company in accordance with the provisions of the LODR 2023 Amendment.

1.4. The objective of this Policy is:

1.4.1. To assist Relevant Employees and Relevant Persons in identifying potential material event/ information and reporting the same to the Managing Director, Chief Financial Officer or the Company Secretary of the Company, as authorized by the Board of the Company for determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) where the securities of the Company are listed (“**Stock Exchanges**”) [collectively referred to as the “**Authorised KMP**”].

For the purpose of this Policy, “**Relevant Employees**” shall include:

- (a) Key Managerial Personnels (*as defined under the Companies Act, 2013*) of the Company;
- (b) Senior management personnels i.e. the officers and personnels of the Company who are members of its core management team (excluding the Board) and shall also comprise of members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer of the Company;
- (c) Such other persons as may be determined as Relevant Employee by the Authorized KMPs or the Board.

For the purpose of this Policy, “**Relevant Persons**” shall include:

- (a) Promoters [*as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018*] of the Company; and
- (b) Directors of the Company.

1.4.2. To assist and guide the Authorised KMPs in determining materiality of the events or information and for making disclosures to the stock exchanges as per Regulation 30 of the Listing Regulations.

1.5. This amended Policy will be effective from 14 July 2023 and be uploaded on website of the Company.

1.6. In the event of any conflict between the terms of this Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

2. DISCLOSURE OF EVENTS OR INFORMATION:

- 2.1. Events/ information specified in Para A of Part A of Schedule III of Listing Regulations shall be disclosed to the Stock Exchanges, without application of the materiality criteria as specified in this Policy.
- 2.2. Events/ information specified in Para B of Part A of Schedule III of Listing Regulations shall be disclosed to the Stock Exchanges based on application of the materiality criteria, as specified in this Policy.
- 2.3. Any other event/ information *viz.* major development that is likely to affect business of the Company significantly in opinion of the Board of the Company shall be disclosed to the Stock Exchanges, such as:
 - a. Emergence of new technologies;
 - b. Expiry of patents;
 - c. Any change of accounting policies that may have a significant impact on the accounts of the Company and brief details thereof; and
 - d. 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.
- 2.4. The Company may make disclosures of events/ information as specified by SEBI from time to time.
- 2.5. In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of the Listing Regulations, but which may have material effect on the Company, as determined by the Board of the Company or Authorize KMPs in accordance with Clause 3.4 of this Policy, the Company is required to make disclosures in regard thereof.
- 2.6. In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of the Listing Regulations, 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.

3. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION:

The Company shall determine an event or information specified in Para B of Part A of Schedule III of the Listing Regulations to be material, if:

- 3.1. the omission of such event or information, is likely to result in discontinuity or alteration of event or information already available publicly; or
- 3.2. the omission of such event or information, is likely to result in significant market reaction if the said omission came to light at a later date; or
- 3.3. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - a. 2% (two percent) of turnover, as per last audited consolidated financial statements of the Company;
 - b. 2% (two percent) of net worth, as per last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
 - c. 5% (five percent) of the average of absolute value of profit or loss after tax, as per last 3 (three) audited consolidated financial statements of the Company.

The Company Secretary of the Company shall, upon completion of audit of the Company's financial statements for each financial year intimate the Relevant Employees, Relevant Persons and Authorised KMPs, of the aforesaid values for each financial year.

- 3.4. Where criteria specified in sub-clauses 3.1, 3.2 and 3.3 is not applicable, an event/ information may be treated as material, if in opinion of the Board of the Company or Authorised KMPs, the event/ information is considered material. Provided that any continuing event/ information which become material pursuant to notification of the LODR 2023 Amendment, shall be disclosed by the Company on or before 14 August 2023.
- 3.5. The Board of the Company has authorized the Authorised KMPs for determining materiality of an event/ information and for making disclosure to the Stock Exchanges under Regulation 30 of the Listing Regulations and contact details of such personnel shall also be disclosed to the Stock Exchanges and on the Company's website.

4. TIMELINES FOR DISCLOSURES TO THE STOCK EXCHANGES:

- 4.1. The Company shall first disclose to the Stock Exchanges all events/ information which are material in terms of the provisions of this Policy and Regulation 30 of the Listing Regulations, as soon as reasonably possible and in any case not later than:
 - 4.1.1. 30 (thirty) minutes from closure of the Board meeting in which the decision pertaining to the event/ information has been taken;
 - 4.1.2. 12 (twelve) hours from occurrence of event/ information, where the event/ information is emanating from within the Company;
 - 4.1.3. 24 (twenty four) hours from occurrence of event/ information, where the event/ information is not emanating from within the Company.
- 4.2. Disclosures with respect to events for which timelines have been specified in Part A of Schedule III of the Listing Regulations shall be made within such timelines.
- 4.3. In case disclosure is made after timelines specified under Regulation 30 of the Listing Regulations, the Company shall, along with such disclosure provide the explanation for the delay.

5. MISCELLANEOUS:

- 5.1. The Company shall make disclosures, updating material developments on a regular basis, till such time the event is resolved/ closed, with relevant explanations.
- 5.2. All events/ information which have been disclosed to the Stock Exchanges in accordance with this Policy, shall be disclosed on website of the Company for 5 (five) financial years and thereafter as per the 'Archival Policy' of the Company.
- 5.3. The Company shall disclose all events/ information with respect to its subsidiaries which are material for the Company, as per criteria specified below:
 - 5.3.1. **Subsidiaries listed on the stock exchanges:**

The Company shall disclose all material event/ information disclosed by Listed Subsidiary to the stock exchanges as per the Listing Regulations and to the Company, if such event/ information is material to the Company as per this Policy.
 - 5.3.2. **Subsidiaries not listed on the stock exchanges:**

The Company shall disclose all events/ information with respect to Unlisted Subsidiary, which are material for the Company as per this Policy.
- 5.4. The Board shall be entitled to amend/ modify this Policy, when it deems appropriate or pursuant to any amendment to the Listing Regulations.
- 5.5. A link to access the Listing Regulations including Part A of Schedule III of the Listing Regulations, as amended from time to time, is set out below as available on website of SEBI:

<https://www.sebi.gov.in/legal/regulations/jun-2023/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-2015-last-amended-on-june-14-2023-73041.html>

**For and on behalf of the Board of Directors
of ISMT Limited**

Rahul Kirloskar
Chairman
Place: Pune
Date: July 14, 2023