



**ESAAR INDIA LIMITED**

**POLICY ON DETERMINATION OF MATERIALITY OF  
EVENT OR INFORMATION FOR DISCLOSURE**

## **1. SCOPE AND PURPOSE:**

1.1 The Policy (“Policy”) is framed in accordance with the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) for determination of materiality of certain events/ information for appropriate disclosures as required thereunder.

## **2. APPLICABILITY:**

2.1 This Policy shall be applicable to all events relating to the Company, as and when they come under the criteria elucidated below.

2.2 This Policy shall be read together with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company to lay down the procedures and practical guidelines that would be followed by the Company for the consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive information.

2.3 All words and expressions used in this Policy, unless defined hereafter shall have the same meaning as assigned to them in the Listing Regulations as amended, from time to time or Companies Act, 2013 and Rules framed thereunder or any other applicable laws, rules or regulations.

## **3. GUIDELINES FOR DETERMINING MATERIALITY OF EVENT OR INFORMATION:**

3.1 Events or information listed in “**Annexure A**” shall be deemed as Material Events and the Company shall make disclosure of such events/information as per Clause 5 below, without applying any criteria of materiality.

3.2 Events or information listed in “**Annexure B**” shall be disclosed to the Stock Exchange as per this Policy in case where such event or information is considered material subject to the application of the Criteria mentioned in Clause C.

3.3 In case the materiality threshold stated in Clause 3.2 above cannot be applied to a particular event or information, the Company shall consider following criteria for making disclosure of such event or information –

- a. when omission of an event or information is likely to result in discontinuity or alteration of event or information already available publicly; or
- b. when 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
- c. Such other event or information which is material in the opinion of the Board of Directors.

#### **4. AUTHORITY:**

- 4.1** The Managing Director and Whole-time Director (“Authorised Personnel”) in consultation the Chief Financial Officer and the Company Secretary shall be severally authorised to determine materiality of an event or information and approve disclosure to the Stock Exchange and on the Company’s website in accordance with the Listing Regulations.
- 4.2** The Chief Financial Officer and the Company Secretary shall be severally authorised to make the disclosure of any material information duly approved by the Managing Director / Whole-time Director to the Stock Exchange, and on the Company’s website in accordance with the Listing Regulations.
- 4.3** The contact details of all the key managerial personnel shall be placed on the Company’s website and any change in the same shall be disclosed to the stock exchange.

#### **5. TIME LINES AND CHANNELS FOR DISSEMINATION OF INFORMATION:**

- 5.1** Disclosure required under Clause 3 above shall be first made to the Stock Exchange where shares of the Company are listed, as soon as reasonably possible as but not later than twenty four (24) hours from the occurrence of event or information. In case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for the delay.

#### **GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO HAVE OCCURRED:**

- a. The events/information which requires discussion, negotiation or approval shall be said to have occurred upon approval by the Board e.g. further issue of capital by rights issuance and in certain events/information after approval of both i.e. Board and shareholders that is to say, after the approval of the Members of the Company.
- b. The events/ information that may be of price sensitive nature such as declaration of dividends etc., disclosure shall be made on approval of the event by the Board, pending shareholder’s approval.
- c. In the events/information such as natural calamities, disruption of business, litigation, any dispute or regulatory action against the Company or Key Managerial Personnel etc.,

shall be said to have occurred when the Authorised Personnel becomes aware of such event/information in the course of performance of his duties.

**DISCLOSURE:**

- 5.2 The Company shall observe the following for proper and timely disclosure of any material events/ information as defined hereon:
- a. Disclosure of the events/ information enumerated in **Annexure A – item no 4** above shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed along with the time of commencement and conclusion of the meeting.
  - b. For determining materiality of any event/information, reference is to be made to this Policy and the Regulations.
  - c. All other events/ information mentioned above, other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event/ information.
  - d. Disclosure of any material development shall be made on a regular basis of any event/information, till such time the event/information is resolved/ closed with relevant explanations.
  - e. All the disclosures made to the stock exchanges under this Policy shall also be placed on the Company's website and the same shall be available for a minimum period of five years and thereafter as per the archival policy of the Company.
  - f. The Company shall also disclose all events/ information with respect to its subsidiaries, in case such events/ information are material for the Company.

**6. GENERAL PROVISIONS:**

- 6.1 The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.
- 6.2 The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).
- 6.3 The Company shall follow uniform and universal dissemination of information to avoid selective disclosure.

- 6.4 While dealing with analysts or research persons or large investors like institutions, the Company shall provide only such information which is available publicly.
- 6.5 Any forward looking statements with regards to the Company can be made with the prior approval of the Managing Director. The Company has no obligation, except as required under any of laws in India, to respond/update on such forward looking statements.
- 6.6 This Policy shall be read along with the Esaar India Limited Code of Conduct for Prevention of Insider Trading.
- 6.7 In the event of any conflict between the provisions of this Policy and any law, rules, regulations for the time being in force in India, such law, rules and regulations shall prevail over such provisions under this Policy.

**7. DISCLOSURE OF THE POLICY:**

- 7.1** The Policy on Determination of Materiality of Events or Information shall be displayed on the Company's Website and the address of such web link shall be provided in the Annual Report of the Company.

**8. POLICY REVIEW:**

- 8.1** This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations or as may be otherwise prescribed by the Board from time to time.
- 8.2** The Policy stands automatically revised in case of any amendment to the SEBI Listing Regulations or SEBI Insider Trading Regulations.

**LIST OF EVENTS/INFORMATION WHICH SHALL BE DEEMED MATERIAL  
UNDER CLAUSE 3.1**

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

Explanation.- For the purpose of this sub-para, the word '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 listed entity 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-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2. Issuance 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 redemption of securities etc.;
  3. Revision in rating(s);
  4. Outcome of Board Meetings of the Corporation held to consider the following:
    - a. declaration of 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. 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

- h. financial results; and
  - i. decision on voluntary delisting by the Corporation from stock exchange(s).
- 5. Agreements [viz. shareholder agreement(s), joint venture agreement(s), (to the extent that it impacts management and control of the Corporation), agreement(s)/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. Fraud/defaults by any key managerial personnel or by the Corporation or arrest of any key managerial personnel;
- 7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;
  - A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor;
  - B. 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. 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. 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 listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.
- 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 lender;
11. Reference to BIFR and winding-up petition filed by any party / creditors.
12. Issuance of Notices, 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 Members of the Company;
14. Amendments to Memorandum and Articles of Association of Company, in brief;
15.
  - a. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity 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 for 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.

## **ANNEXURE B**

### **LIST OF EVENTS/INFORMATION WHICH SHALL BE DEEMED MATERIAL UNDER CLAUSE 3.2**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or 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 branches or offices of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or other events;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s)/ dispute(s)/ regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company to the extent the Company is aware or made aware of;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of guarantees or indemnity or becoming a surety for any third party other than in the normal course of business; and
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Events/ information that may include but are not restricted to-
  - a) Any change of accounting policy that may have a significant impact on the accounts, etc.;
  - b) Any other information which is exclusively known to the Corporation which may be necessary to enable the holders of securities to appraise its position and to avoid the establishment of a false market in such securities;
  - c) Any event/information which in the view of the Board/ whole-time directors of the Corporation is material.

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