

EGP LIMITED

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

I. BACKGROUND

Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) requires every Listed Company to frame a policy for determination of materiality of an event/information based on the criteria specified in Regulation 30 for disclosure to the Stock Exchanges and hosting of it on the website of the Company.

II. Criteria for determining Materiality of events and information:

The Company shall consider the following criteria for determination of materiality of event/ information specified in **Annexure** to this policy as and when they occur.

Where the omission of an event/ information, is likely to result in:

- a) discontinuity or alteration of event/ information already available publicly;
- or
- b) a significant market reaction if the said omission came to light at a later date.

Where it would be difficult to report the events/information based on the criteria as stated in points a) and b) above, the same may be considered as material for disclosure, upon meeting thresholds as mentioned herein below or in case, if in the opinion of the Board of Directors of the Company, the event or information is considered material.

III. Materiality Thresholds:

Materiality must be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information.

The following will be the materiality criteria which shall apply to events specified in Annexure to this policy only.

An event specified in the **Annexure** to the policy would be considered material if omission of such 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;

IV Guidance on Timing of Occurrence of an Event or Information for Onward Disclosures:

As prescribed under Regulation 30(6) of the SEBI Listing Regulations, all events or information which are material as determined under this Policy shall be disclosed to the stock exchange(s), as soon as reasonably possible and in any case not later than:

- a. 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;
- 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.

In this regard, the Company shall evaluate the event / information to when it can be said to have occurred, depending upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc, the answer to the above question would depend upon the timing when the Company becomes aware of the event/information.

The events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company becomes aware of the event or comes into possession of the information in the course of the performance of his duties. Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Company.

Explanation:

'Officer' under the Companies Act, 2013 includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act.

'Key managerial personnel' for the purpose of this policy shall mean the Chief Financial Officer, Manager and the Company Secretary.

V. AUTHORITY TO DETERMINE MATERIALITY

Materiality must be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information in the **Annexure** to the Policy.

For the events/information in the **Annexure** to the Policy, the Chief Financial Officer and Manager of the Company ('**Authorised Persons**') are severally authorised for identifying and determining the materiality.

The employees who become aware of event/information as stated in the **Annexure** which exceed the materiality threshold as mentioned in clause III are required to report such event/information promptly to the Chief Financial Officer and Manager of the Company.

VI. DISCLOSURE PROCESS

Once the applicable event or information is identified to be disclosed to the Stock Exchanges under this Policy, the Managing Director & CEO, Chief Financial Officer, Company Secretary are severally authorised to make the disclosure of material event/information to the Stock Exchanges.

Any event/information required to be disclosed under this policy shall be disclosed in the format prescribed by SEBI through its Circulars issued from time to time.

Subsequent to the disclosure to the Stock exchanges, material event/information should be hosted on the website of the Company.

VII MODIFICATION OF THE POLICY

The Authorised Persons may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors.

In case of any amendments to the SEBI Listing Regulations which makes any of the provisions in the Policy inconsistent, the provisions of the SEBI Listing Regulations shall prevail. Any amendments to the SEBI Listing Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy.

VIII. VERSION HISTORY:

Version No.	Version date	Reviewed and Recommended by	Approved by	Changes
1.0	--	-	Board of Directors at their meeting held on	Initial Version
1.1	03.08.2023	Audit Committee at their meeting held on August 3, 2023.	Board of Directors at their meeting held on August 3, 2023.	Review and amendment to policy due to changes in SEBI (LODR) Regulations, 2015.

Annexure

Events which shall be disclosed upon application of materiality thresholds as set out above:

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 listed entity:
 - (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 listed entity.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
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.
