

# Prabhat Technologies (India) Limited



## Prabhat Technologies (India) Limited Policy for Determination of Materiality of Event or information for Disclosure

### 1. Purpose:

- 1.1 The 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, based on criteria specified in these Regulations for dissemination of information to the investors/other stakeholders.

### 2. Overview and Effective Date:

- 2.1 This Policy lays down various criteria adopted by the Company in accordance with the Listing Regulations for determining materiality of an event/ information and document a process for dissemination of information and disclosures to various stakeholders through appropriate channels.
- 2.2 This Policy shall come into effect from \_\_\_\_\_.

### 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 impact of such event or information on the Company exceeds 10% of its gross Turnover of the as per the latest available audited financial statements.
- 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 Board of Directors.

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## 4. Authority

- 4.1 The Managing Director and Whole-time Director (“Authorised Personnel”) shall be severally authorised to determine materiality of an event or information and approve disclosure to the Stock Exchange and on the Company Website.
- 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 Website.
- 4.3 Other Employees and Company representatives receiving any inquiries from the investment community shall not respond to such inquiries other than to refer the inquirer to the Managing Director or Company Secretary.

## 5. Timelines 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 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:**

The event/information for the purpose of disclosure under this Policy shall be said to have occurred upon approval by the Board of Directors e.g.further issue of capital by right issuance and in certain cases after the same are approved by both Board and the shareholders.

The events / information that may be of price sensitive nature for e.g. decision on declaration of dividends etc., disclosure shall be made on approval of the event by the Board of Directors, pending Shareholder’s approval

However, in some instances 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.

- 5.2 Disclosure with respect to events specified in **Annexure A – item no 4** regarding Outcome of the Board meetings shall be made within thirty (30) minutes of the conclusion of the Board meeting.
- 5.3 Guidance provided by the Securities and Exchange Board of India indicating the detail that need to be provided while disclosing events/information in Annexure A and Annexure B and the time when an event/information can be said to have occurred may be referred while making disclosures under this Policy.
- 5.4 The Company shall make disclosures updating material developments on the information/events disclosed under this Policy, on a regular basis, till such time the event is resolved/closed, with relevant explanations.

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5.5 The Company shall disclose on its Website all such events or information which has been disclosed to Stock Exchange under this Policy. Such disclosures shall be hosted on the Website of the Company for a minimum period of five years and archived thereafter as per Company's Document Retention and Archival Policy.

## 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 Prabhat Technologies (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. Review of this Policy :

- 8.1 The Board of Directors are authorized to review this Policy from time to time and make such modifications as may be deemed necessary. The Policy stands automatically revised in case of any amendment to the SEBI Listing Regulations or SEBI Insider Trading Regulations.

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## Annexure A

### List of Events/information 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 Company or any other restructuring proposal

Explanation - For the purpose of this sub-para, the word 'acquisition' shall mean:

- (a) acquiring control, whether directly or indirectly; or,
  - (b) acquiring or agreeing to acquire shares or voting rights in, a Company, whether directly or indirectly, such that :
    - (i) 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;
    - ii) 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 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) Revision in Rating(s)
- (4) Outcome of Meetings of the Board of Directors held to consider the following:
- (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 capitalisation 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;

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- (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) Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter
  - (7) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc.), Auditor and Compliance Officer
  - (8) Appointment or discontinuation of Share Transfer Agent
  - (9) Corporate Debt Restructuring
  - (10) One time settlement with a bank
  - (11) Reference to BIFR and 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) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors
  - (16) Any other information/events requiring disclosures under the Listing Regulations or under any other laws, applicable to the Company for the time being in force.

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## Annexure B

### List of Events/information under Clause 3.2

- (a) Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division;
- (b) Capacity addition or product launch;
- (c) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
- (d) 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;
- (e) 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.;
- (f) Effect(s) arising out of change in the regulatory framework applicable to the Company;
- (g) Litigation(s) / dispute(s) / regulatory action(s) with impact;
- (h) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company
- (i) Giving of guarantees or indemnity or becoming a surety for any third party
- (j) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- (k) Any other information/event, major development which in the opinion of the Board is likely to affect business significantly and any other information, which is exclusively known to the Company and which in the opinion of the Board of Directors of the Company may be necessary to enable the shareholders of the Company to appraise its position and to avoid the establishment of a false market in such securities.
- (l) Any other information specified by Securities and Exchange Board of India from time to time.

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