

## SHANKARA BUILDING PRODUCTS LIMITED

Corporate Identity Number (CIN): L26922KA1995PLC018990

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### POLICY FOR DETERMINING MATERIALITY OF EVENT/ INFORMATION

*(Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) (Hereinafter called as “LODR”)*

#### 1. Preamble

- a. The object of this Policy is to determine the materiality of events /information of Shankara Building Products Limited (the “**Company**”) for the purpose of disclosure to the stock exchanges on which the Company’s shares are listed and to provide frame work relating to disclosure of such information so that a framework is provided that supports and fosters confidence in the quality and integrity of information released by the Company.
- b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), requires every listed entity to formulate a policy for determination of materiality of an event or information for the purpose of making disclosures to the stock exchanges and such policy is required to be disclosed on the Company's website.
- c. Considering the aforesaid requirements, the Company has formulated this Policy for determining materiality of an event or information for the purpose of disclosures to be made by the Company to the stock exchanges and to ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures.
- d. All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Listing Regulations, and if not defined therein, then as per the Companies Act, 2013 or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 and/or the rules and regulations made thereunder, or any other Act and/or applicable laws or any statutory modification or re-enactment thereto, as the case may be.

#### 2. Criteria for determining materiality of event or information

The Company shall make disclosures of any events or information, which, in the opinion of the Board of Directors of the listed company, is material and as specified by the Board from time to time. The materiality must be determined on a case to case basis depending on the material facts and the circumstances pertaining to the information or event and would be determined based on the qualitative/ qualitative judgement to be exercised.

**a) Events / Information which are deemed to be Material Events**

- i. The Company shall disclose all such events / information which are specified in Para A of Part A of Schedule III of the Listing Regulations as deemed to be material events and to be disclosed without any application of quantitative or qualitative materiality thresholds or guidelines for materiality as specified in the Listing Regulations.
- ii. The disclosure details of Para A of Part A of Schedule III of the Listing Regulations to be provided to the Stock Exchanges shall be in compliance with the requirements of the SEBI Disclosure Circular.

**b) Events/ Information which are dependent on the application of guidelines for Materiality**

The Company shall disclose all the events/ information as 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 the listing regulations.

**c) Guidelines for determining Materiality of events/ information**

The Company shall consider the following criteria based on qualitative and quantitative criteria for determination of materiality of events / information:

**Quantitative criteria**

The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following (i.e.) any transaction exceeding the lower of the below, with an annual impact in value, to be considered for the said purpose.:

- ↗ 2% (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;
- ↗ 5% (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.

In case where the criteria specified as specified in above is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company, the event or information is considered material.

**Qualitative criteria**

An event/ information:

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

- ↗ any other event/information may be treated as being material if in the opinion of the Board of directors of Company, the event / information is considered material

### 3. Persons authorized to determine materiality

- a) The following Key Managerial Personnel (KMP) of the Company are hereby authorized for the purpose of determining materiality of an event or information, evaluating whether an event/information requires Stock Exchange disclosures, and for the purpose of making disclosures to the Stock Exchanges within the applicable timelines:
  - ↗ The Managing Director
  - ↗ The Executive director
  - ↗ The Chief Financial Officer
  - ↗ The Company Secretary
- b) The materiality of the event or information will be decided in consultation with persons connected with the event or information
- c) The KMPs are empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- d) The KMPs shall have the following powers and responsibilities for determining the material events or information:
  - ↗ To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
  - ↗ To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.

### 4. Disclosure framework

- a) The Company shall first disclose to the stock exchanges all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:
  - ↗ 30 (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;
  - ↗ 12 (Twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
  - ↗ 24 (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 disclosure with respect to events for which timelines have been specified in the listing regulations shall be made within such timelines and if disclosure is made after the timelines specified under this regulation, the Company shall, along with such disclosure provide the explanation for the delay.*

- b) The Company shall disclose on its website all such events or information which has been disclosed to stock exchanges under this regulation and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.
- c) The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.
- d) The Company shall provide specific and adequate reply to all queries raised by stock exchanges with respect to any events or information.
- e) The Company may on its own initiative also, confirm or deny any reported event or information to stock exchanges and if the Company confirms the reported event or information, it shall also provide the current stage of such event or information.
- f) An event or information is required to be disclosed by the Company in terms of the provisions of this regulation, 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.
- g) Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and 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 shall be disclosed as soon as possible but within 24 hours of the occurrence of the event.

## **5. Guidelines on occurrence of an event/ information and its disclosure.**

The occurrence of material events/information could be either emanating from within or outside the listed entity by the Company's own accord or for reasons not in the hands of the Company. It can be categorized as under:

- a) depends upon the stage of discussion, negotiation or approval; and
- b) in case of natural calamities disrupting operations etc., it would depend upon the timing when the company became aware of the event/information.

### **In respect of the events which are at stage of discussion, negotiation or approval**

The events/information can be said to have occurred upon receipt of approval of the Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval. Approvals other than final approvals, such as in-principle approvals, exploratory approvals etc. will not require disclosure under this Code.

**In respect of the events which depends upon the timing when the company became 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 entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

**6. Other Matters**

- a) This Policy shall be subject to review as may be deemed necessary by the Board of Directors in accordance with regulatory amendments. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
- b) This Policy was originally adopted by the Board of Directors on September 19, 2016

