

POLICY FOR DETERMINATION OF MATERIALITY

1. Introduction

Pursuant to Regulation 30(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that every listed entity should inform to the stock exchanges where its securities are listed, of all the material events in accordance with the guidance note issued by BSE and NSE. In accordance with the guidance note issued by the stock exchanges for determination of materiality of events and making disclosure to the public at large through the stock exchanges.

According to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors is under an obligation to make disclosure of any events or information which in its opinion is material. The determination of materiality of events/ information shall be based on criteria prescribed in the said Regulation:

The Board of Directors of the listed entity shall authorise one or more Key Managerial personnel for the purpose of determining materiality of an event or information for the purpose of making disclosures.

2. Objective

Shanti Overseas (India) Limited being a listed entity, is obligated to comply with the disclosure requirements under the Listing Regulations and is committed to the premise that the all persons investing in the publically traded securities have equal right to access information that may affect their investment decisions and believes that full and fair disclosure of material information to the public is the cornerstone to the integrity of the Capital Market.

3. Definition

- (i) **"Act"** shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.
- (ii) **"Board of Directors" or "Board"** means the Board of Directors of Shanti Overseas (India) Limited, as constituted from time to time.
- (iii) **"Key Managerial Personnel (KMP)"** mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013.
- (iv) **"Listing agreement"** shall mean an agreement that is to be entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015.
- (v) **"Material Event" or "Material Information"** shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 5 of the Policy. In the Policy, the words, "material" and "materiality" shall be construed accordingly.
- (vii) **"Policy"** means this Policy for Determination of Materiality as may be amended from time to time.

(viii) "**Regulations / Listing Regulations**" mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

(ix) "**Schedule**" means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015 Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable laws or regulations to the extent applicable to the Company.

4. Guidelines for determining Materiality of events or information

(i) Qualitative Criteria:

Shanti Overseas (India) Limited shall apply the qualitative criteria for materiality as defined under Listing Regulation, if it meets any of the following criteria:

- (a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) 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; and
- (c) Any other event/information which is treated as being material in the opinion of the Board of Directors / Compliance Committee of the Company.

(ii) Quantitative Criteria:

Shanti Overseas (India) Limited shall apply the following quantitative criteria for materiality assessment:

- (a) An event specified in Annexure - B would be considered material if the impact of the event, if measured in:
 - Total income terms, exceed 5% of the standalone income of Shanti Overseas (India) Limited;
 - Profit after tax terms, exceed 10% of the standalone profit of Shanti Overseas (India) Limited;
 - Net worth terms, exceed 20% of the net worth of Shanti Overseas (India) Limited; whichever is lower.
- (b) The above threshold shall be determined on the basis of audited financial statements of Shanti Overseas (India) Limited last audited financial year.
- (c) Only such impact which is direct (not derivative), reasonably perceivable (not remote), quantifiable and having a short term horizon of less than two years shall be considered.

5. Disclosures of events or information

- a. Events specified in **Annexure A** are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than twenty- four (24) hours from the occurrence of such event or information in the following manner:
- i) Inform the stock exchanges in which the securities of the Company are listed;
 - ii) Upload on the corporate website of the Company.
- Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.
- b. The Company shall make disclosure of events as specified in “**Annexure B**” based on application of guidelines for determining Materiality as per the Policy.
- c. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- d. The Company shall disclose all events or information with respect to its Material Subsidiaries.
- e. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further, it shall confirm or deny any event or information to stock exchange(s) reported in the media.
- f. In case where an event occurs or information is available with the Company, which has not been indicated in *Annexure A or Annexure B*, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

Annexure-A

Events which shall be disclosed without any application of the guidelines for Materiality [Regulation 30(4)]:

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;
- Explanation - '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 Company 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 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 credit rating(s);
4. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, 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 capitalization 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 subscribers;
 - (g) Short particulars of any other alterations of capital, including calls;
 - (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, C.F.O, 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.

Annexure- B

Illustrative list of events which shall be disclosed upon application of the guidelines for materiality (Regulation 30 (4)):

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, manufacturing, 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 units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockout etc.;
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;
10. Options to purchase securities including any ESOP/ESPSScheme;
11. Giving of guarantees or indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
13. 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.

Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Listing Regulations, Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain inforce.

Amendment

The Board of Directors may subject to the applicable laws amend any provision or substitute any of the provision with the new provision or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being inforce