KEI INDUSTRIES LIMITED
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BM & AC 06.05.2025

1. PREAMBLE

As per Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein referred to as "Regulations" or "Listing Regulations"), a Company is required to frame a policy for determination of materiality of an event or information and for making disclosure to Stock Exchange(s), on the basis of the criteria specified in sub regulation (4) of Regulation 30.

The objective of this Policy is to determine materiality of events or information of the Company and to ensure that such event(s) or information is adequately disseminated in accordance with provisions of these Regulations and to provide an overall governance framework for such determination of materiality.

2. DEFINITIONS:

i) **'Act'** means the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).

ii) **'Company'** means KEI Industries Limited.

iii) **'Board of Directors'** or **'Board'** means the Board of Directors of the Company, as constituted from time to time.

iv) **'Key Managerial Personnel',** in relation to a company, means—

- the Chief Executive Officer or the managing director or the manager;
- the company secretary;
- the whole-time director;
- the Chief Financial Officer;
- such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- such other officer as may be prescribed

v) **'Listing Regulations'** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars and re-enactment thereof.

vi) **'Material Subsidiary**' shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

vii) **'Mainstream media'** shall include print or electronic mode of the following:

a) Newspapers registered with the Registrar of Newspapers for India;

b) News channels permitted by Ministry of Information and Broadcasting under Government of India;

c) Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and

d) Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India;

viii) **'Policy'** means this "Policy for determining materiality of events & information and their Disclosure" and as may be amended from time to time.

ix) **'Stock Exchange(s)'** means BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and The Calcutta Stock Exchange Limited, where the equity shares of the Company are listed.

x) **'Subsidiary'** means a subsidiary as defined under Section 2(87) of the Companies Act, 2013

xi) **"Schedule III"** means Schedule III of the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015.

xii) "**Promoter" and "Promoter Group**" shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

xiii) **"Value or the expected impact in terms of value"-** In computing the "expected impact in terms of value" of an event/information, the Company should, where applicable, consider the expected impact in the four ensuing quarters (including the quarter in which the event occurs if the event occurs in the first 60 days of the quarter).

While undertaking the assessment of the "value" and "expected impact in terms of value", the Company shall place reliance on the principles for measurement set out under the applicable accounting standards (such as the PPR test formulated basis the principles for measurement set out under Ind AS 37), so as to ensure consistency between the disclosures made to the stock exchanges, and the disclosures made in the financial statements.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Industry Standard dated February 25, 2025 or any other applicable law or regulation to the extent applicable to the Company.

3. IDENTIFICATION OF MATERIALITY OF EVENTS OR INFORMATION AND DISCLOSURE THEREOF

A) DEEMED MATERIAL EVENTS

Events or information specified in Para A of Part A of Schedule III are deemed to be material events/information as per sub-regulation (2) of regulation 30 and the Company shall make disclosure of such events or information to the Stock Exchange in accordance with the provisions of these Regulations.

B) EVENTS / INFORMATION WHICH MAY BE DISCLOSED TO THE STOCK EXCHANGE(S) BASED ON TEST OF MATERIALITY.

The Company shall make disclosure of such events or information to the Stock Exchange as specified in Para B of Part A of Schedule III, based on application of the following criteria:

i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
ii) 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
iii) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

(1) 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;
(3) 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 terms of Industry Standard dated February 25, 2025, Significant market reaction may be assessed against scrip price, as per the parameters specified by the stock exchange(s).*

*** In terms of SEBI Circular dated July 13, 2023, for the purpose of clause (3) above, it is clarified that the average of absolute value of profit or loss after tax is to be calculated by disregarding the 'sign' (positive or negative) that denotes such value.)*

However, in certain instances, all of the three parameters specified above may not be relevant to an event. Applying the principle of Reddendo Singula Singulis (by assigning each one to each one) to the materiality provisions of Listing Regulations, it can be said that since there are separate thresholds of 2% of turnover, 2% of net worth and 5% of average PAT, each of such values can be applied individually and a particular threshold would be relevant and applicable depending on the nature of the event/ information being assessed. For instance, any event which has an impact on the turnover or profits of the Company can be

considered material by comparing the value of such event/ information with 2% of the consolidated turnover or 5% of the average PAT respectively.

Accordingly, for every event / information listed in Para B - Part A of Schedule III of the Listing Regulations, reference can be made to the ISF note or any other circular(s), FAQ(s) issued by SEBI or Stock Exchanges from time to time.

In case where the criteria specified in sub-clauses (i), (ii) and (iii) 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:

Provided that such a policy for determination of materiality shall not dilute any requirement specified under the provisions of these regulations:

Provided further that such a policy for determination of materiality shall assist the relevant employees of the company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).]

Events / information with respect to material subsidiaries of the Company must also be disclosed by the Company as per the terms of this Policy.

All the above disclosures will be hosted on the website of the Company for a minimum period of five years and thereafter archived in accordance with the Company's Policy for Preservation and Archival of Documents.

4. TIMELINE FOR DISSEMINATION OF INFORMATION

The Company shall first disclose to the stock exchange(s) 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:

(i) 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:

Provided that in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting:
Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

(ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;

(iii) 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 if all the relevant information, in respect of claims which are made against the listed entity under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the listed entity in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the listed entity:

Provided further that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:

Provided further that in case the disclosure is made after the timelines specified under this regulation, the company shall, along with such disclosure provide the explanation for the delay.

Explanation: Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.]

The material event /information will be said to have occurred:

- In cases involving negotiation, discussion or approval, upon receipt of the approval of the Board or the shareholders, as the case may be. However, in cases involving price sensitive events / information (such as decision on declaration of dividend), the disclosure may be made on the receipt of approval of the Board, pending shareholder approval.
- In other cases, where no approvals are required (such as natural calamities or disruptions, etc.) when the Company or its officers become aware of the events / information, or when the Company or its officers ought to have reasonably come into knowledge / possession of the event / information while performing their duties.

Explanation – The term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Company.

- 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 mainstream media.

- In case where an event occurs or information is available with the Company, which has not been indicated in Para A of Part A of Schedule III or Para B of Part A of Schedule III, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

- In case 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.

5. AUTHORITY FOR MAKING DISCLOSURE(S) AND FOR EVALUATING EVENTS/ INFORMATION AS 'MATERIAL'

i. Any event or information, including the information forming part of Para A of Part A of Schedule III and Para B of Part A of Schedule III to the Policy shall be forthwith informed to the KMP(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
ii. The KMP(s) will then ascertain the materiality of such event(s) or information based on the above guidelines.
iii. On completion of the assessment, the KMP(s) shall, if required, make appropriate disclosure(s) to the stock exchanges.

The following Key Managerial Personnel are authorized:

➢ **For determining materiality of events or information:**

a) Mr. Anil Gupta, Chairman-cum-Managing Director

➢ **For making Disclosure(s) to Stock Exchange:**

a) Mr. Anil Gupta, Chairman-cum Managing Director
b) Mr. Rajeev Gupta, Executive Director (Finance) & CFO
c) Mr. Kishore Kunal, Company Secretary & Compliance Officer

In accordance with the provisions of these regulations, as may be in force from time to time, read with guidance, circular and other supplementary text issued thereupon:

Further, the Contact Details of abovementioned Key Managerial Personnel shall be disclosed to the stock Exchange(s) and as well as on the website of the Company.

6. VERIFICATION OF MARKET RUMOUR

The Company shall confirm, deny or clarify, upon material price movement as may specified by stock exchanges/ SEBI, any reported event/ information in the mainstream media which is not general in nature, and which indicates that rumour of an impending specific event/ information is circulating amongst the investing public within the timelines specified under law. The confirmation/ denial/ clarification shall be made as per regulation 30(11) of the Listing Regulations, as amended from time-to-time, circulars/ notifications issued by SEBI/ stock exchanges in this regard and in

accordance with Industry Standard Note on verification of market rumours under Regulation 30(11) issued by Industry Standard Forum ('ISF').

The requirements under Regulation 30(11), in respect of confirmation/ denial/ clarification of market rumours, are only applicable to market rumours that are reported in the specified 'mainstream media'. It shall not be applicable to market rumours that are vague or general in nature.

Social media platforms are excluded from the ambit of mainstream media. Mainstream media shall cover (i) the specific news sources set out in the Industry Standard Note on verification of market rumours under Regulation 30(11) issued by ISF; and (ii) the list of English business/ financial news sources of the foreign jurisdiction identified by the Board of Directors, where the Company has material business operations.

7. AMENDMENTS:

In case there are any modification(s) / amendment(s) / notification(s) / circulars(s), guidance note(s), informal guidance(s) issued by SEBI / MCA or judgements made by the Tribunal or any Court which has the effect of amendment in the Regulation(s) / Section(s) / Rule(s) made thereunder, the Chief Financial Officer and/or Company Secretary and/or Managing Director is/are authorized to make amendments in the Policy / Code as to the extent applicable. The amended Policy / Code shall be taken note by the Board of Directors / Committee in their ensuing Meeting(s).

Further, all the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 governing the said clause shall apply.

8. SCOPE AND LIMITATIONS

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013; Listing Regulations 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 in force.