



PASUPATI ACRYLON LIMITED

Policy on Determination of Materiality for Disclosures

Revision History:

Version No.	Overview of Changes	Date of Approval by Board of Directors	Review
Version-1	Original	06.02.2016	Not Applicable
Version-2	Modification	12.02.2020	Due to change in KMP
Version-3	Modification	10.08.2023	Amended in line with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

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1. Introduction

Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended (“**SEBI Listing Regulations**”), *inter-alia*, mandates every Listed Company to disclose events or information to Stock Exchanges, which in the opinion of Board of Directors is material.

Some of the events have been identified in the SEBI Listing Regulations which shall be deemed to be material events and some events have been specified, the disclosure of which shall be based on the application of the guidelines for materiality.

Regulation 30(4)(ii) of SEBI Listing Regulations requires every listed company to formulate a Policy for determining materiality of events or information that warrant disclosure to investors. In compliance with the above Regulation, Board of Directors of Pasupati Acrylon Limited has adopted this “Policy on Determination of Materiality of event/information for Disclosures” to determine the parameters of materiality of event/information.

2. Objective

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI Listing Regulations, to enable them to take well informed investment decisions with regard to the securities of the Company.

3. Definitions

- **“Board of Directors” or “Board”** means the Board of Directors of the Company, as constituted from time to time.
- **“Company”** means Pasupati Acrylon Limited
- **“SEBI Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements), as amended from time to time.
- **“Stock Exchange(s)”** means such stock exchange where the equity shares of the Company are listed.

All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the SEBI 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.

4. Deemed material events or information

In terms of sub-regulation (2) of Regulation 30 of the SEBI Listing Regulations, events or information specified in Para A of Part A of Schedule III of SEBI Listing Regulations will be disclosed without any application of the guidelines for materiality.

The list of such events/information is as under:

- a) Acquisition/Scheme of Arrangement/sale or disposal of any unit;
- b) Issuance/forfeiture/consolidation/split/buyback/other alteration of securities;
- c) New Credit Rating/Revision in rating;
- d) Outcome of board meetings w.r.t financial results/bonus/buy-back/dividend/fund raising;
- e) Shareholders Agreements/Joint Venture Agreements/Family Settlement Agreements;
- f) Agreements entered into by shareholders/promoters/directors/KMPs/employees which impact the management or control of the Company;
- g) Fraud/defaults by the company/its promoters/directors/KMPs/senior management or Arrest of promoter/director/KMPs/senior management;
- h) Change in Directors/KMPs/Auditors/senior management;
- i) Appointment/discontinuation of share transfer agent;
- j) Resolution Plan/Restructuring of loan/One time settlement;
- k) Winding-up petition filed by any party;
- l) Proceedings of general meetings;
- m) Amendment to MOA & AOA;
- n) Initiation of forensic audit;
- o) Action initiated or order passed by any regulatory/statutory/enforcement authority/judicial body against the company/its directors/KMPs/promoters/senior management.

5. Guidelines for materiality assessment

In terms of sub-regulation (3) of Regulation 30 of the SEBI Listing Regulations, events or information specified in Para B of Part A of Schedule III of SEBI Listing Regulations (**as annexed**) will be disclosed based on application of materiality criteria as specified hereunder.

Materiality will be determined on a case to case basis depending on specific facts and the circumstances pertaining to the event or information.

Information should be regarded as “material” if there is a substantial likelihood that a reasonable investor would consider such information important in making a decision to buy, sell, or hold a security or where such information is likely to have a significant effect on the market price of the security. Either positive or negative information may be material.

The following criteria will be applicable for determining materiality of event or information:

- a. The omission of an event or information which is likely to result in a discontinuity or alteration of an event or information already available publicly; or
- b. The omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date;
- c. 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; or
 2. two percent of net worth, except in case the arithmetic value of the net worth is negative, as per the last audited consolidated financial statements of the Company; or
 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.
- d. In case where the criteria specified in sub-clauses (a), (b) and (c) 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 and ought to be disclosed.

In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of SEBI Listing Regulations, 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

6. Authorised Persons for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange

Managing Director and Chief Financial Officer of the Company will be severally authorized to determine the materiality of any event or information subject to the provision of this Policy. They shall also have authority to determine:

- a. the appropriate time at which disclosure is to be filed / made with the stock exchanges
- b. details that may be filed in the best interest of present and potential investors.

Further, as authorized by the Board of Directors, Managing Director, Chief Financial Officer and Company Secretary are severally authorized to make disclosure materiality of any event or information to the stock exchanges.

7. TIMELINES FOR DISCLOSURE

The Company shall disclose all events or information within the timelines specified in SEBI Listing Regulations or other Applicable Laws.

8. Guidelines on occurrence of an event or information

The occurrence of material event/information would be either by the Company's own accord or 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, disruptions etc., it would depend upon the timing when the Company became aware of the event/information.

In respect of the events under Serial (a) above, the events/information can be said to have occurred upon receipt of approval of Board, *e.g.* further issue of capital by rights issuance and in certain events/information after receipt of approval of both Board and Shareholders.

However, considering the price sensitivity involved, for certain events, disclosure shall be made on receipt of approval of the event by the Board of Directors, even pending for shareholders' approval.

In respect of the events under Serial (b) above, 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.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.

9. Obligations of internal stakeholders

- a. The Senior Management Personnel and such other persons, as determined by the Managing Director shall be relevant employees, to identify potential event or information (as set out in Annexure) pertaining to their functional roles and report the same to the aforesaid Authorised Persons(s).
- b. Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the SEBI Listing Regulations shall be informed to the Authorised Persons(s) immediately upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.

10. Review And Amendment

- The Policy shall be reviewed by the Board as and when any material changes are to be incorporated in the Policy.
- In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy.
- Any subsequent amendment/modification in SEBI Listing Regulations, Act or applicable laws in this regard shall automatically apply to this Policy from the effective date as laid down under such amendments/modifications.

11. Effective date

The original policy was adopted by the Board of Directors on 6th February, 2016 and the amended Policy, shall be effective from 10th August , 2023.

12. Disclosure of Policy

As per the provisions of the SEBI Listing Regulations, the Policy shall be disclosed on the website of the Company www.pasupatiacrylon.com .

13. Contact Details

Any questions or clarifications about the policy or disclosures made by the Company should be referred at the below contact details:

Name : Bharat Kapoor
Designation : Company Secretary and Compliance Officer
Email : csbharat.pal@gmail.com
Phone : 011-47627400

ANNEXURE

(Para B of Part A of Schedule III)

Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of Regulation (30)

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 listed entity.*
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.*
