

**SMC GLOBAL SECURITIES LIMITED**  
**Policy for determining Materiality for Disclosures**

*Version 1.0 approved by the Board of Directors in 2015*  
*Version 2.0 approved by the Board of Directors on 7<sup>th</sup> June, 2021*  
*Version 3.0 approved by the Board of Directors on 7<sup>th</sup> November, 2023*

- **INTRODUCTION**

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the “Policy for Determination of Materiality of Events or Information”. This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR Amendments”) and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 (“SEBI Disclosure Circular”).

The Policy is aimed at providing guidelines to the management, to determine the materiality of events or information and promptly disseminate the information to the Stock Exchanges.

All the words and expressions used in this Policy, unless defined hereafter shall have the same meaning as assigned to them in the Listing Regulations and the Companies Act, 2013 and the Rules framed thereunder or any other applicable laws, Rules, Regulations.

- **SCOPE AND APPLICABILITY OF POLICY**

This Policy is applicable to all disclosures and communication of material events or information by the Company, which in the opinion of the Board of Directors of the Company or any other delegated authority, is material for the Company. The applicability of the policy extends to cover disclosure of material events occurring in the Company and that in its subsidiary companies which are or might be material for the Company.

This Policy shall at all times, be read together with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company. The procedure mentioned in the Code shall be complied with for timely disclosure and dissemination of Unpublished Price Sensitive Information.

The objective of this Policy is to assist the employees of the Company in identifying potential material events or information in an objective manner that may originate at the ground level which can be promptly escalated and reported to the authorised Key Managerial Personnel or other officers of the Company, as specified in this Policy, for

determining the materiality of the said event or information and for making necessary disclosure to the BSE Limited and the National Stock Exchange of India Limited (collectively, the “Stock Exchanges”). The disclosure of any event/information shall be based on the determination of materiality by the authorised Key Managerial Personnel.

- **DISCLOSURE OF MATERIAL EVENTS OR INFORMATION**

In terms of Regulation 30 of the Listing Regulations, the events requiring disclosure by the Company, are provided as follows:

- Events or information mentioned in Para A of Part A of Schedule III of the Listing Regulations and as highlighted in **Annexure A** in this Policy shall be ***deemed to be material*** and shall be disclosed by the Company **without any application of guidelines for assessing materiality.**
- Events or information mentioned in Para B of Part A of Schedule III of the Listing Regulations and as highlighted in **Annexure B** in this Policy shall be disclosed by the Authorised Key Managerial Personnel (‘Authorised KMPs’) **after applying the guidelines for assessing materiality.**
- Events or information mentioned in Para C of Part A of Schedule III of the Listing Regulations which has a ***major development*** that is likely to affect the business of the Company.

Nevertheless, the Policy broadly covers all or any such event or information which may not be mentioned in Para A or Para B or Para C of Part A of Schedule III of the Listing Regulations but may have a material effect on the Company.

- **IDENTIFICATION OF EMERGENCE OF AN EVENT/INFORMATION**

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) Stage of discussion, negotiation or approval**

In the matters involving negotiation, discussion or approval etc., the events or information can be said to have occurred upon receipt of approval by the Board and / or the shareholders, as the case may be. If in-principle approval or approval to explore (which is not final approval) is given by the Board, disclosure to the Stock Exchanges will not be required under the Policy.

**(b) Where such negotiation, discussion or approval etc. are not involved (such as natural calamities, strike, lock-out, etc.)**

In such cases, 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 Company 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 Companies Act, 2013 and shall also include Promoter of the Company.

• **REPORTING OF EMERGENCE OF AN EVENT/INFORMATION**

Any event/information enlisted in this policy or considered material by the Head of Departments should be reported to the Authorised KMPs at their registered email addresses as disclosed on the website of the Company and as disclosed in this policy. All the departments, especially the Head of Departments of each Department shall be held responsible for identifying any information/event which is enlisted in this policy or may be considered significant/material for the Company. Once any such information is identified, the same needs to be reported immediately to the Authorised KMPs of the Company alongwith supporting documents/data in accordance with the Policy.

In this regard, there can be a circumstance where the information has not originated, however, is flowing in the organisation from a long time and has gone unreported. In such cases also, prompt reporting to the Authorised KMPs is required for the purpose of evaluation.

• **CRITERIA FOR DETERMINING MATERIALITY OF AN EVENT**

The criteria for determination of materiality of any event or information shall be based on both qualitative and quantitative criteria, which are outlined in this Policy. The Authorised KMPs may use any one or both of the criteria to determine the materiality of any event or information. Determination of materiality shall be analysed on case to case basis by the qualitative and quantitative judgement of the Authorised KMPs. The following criteria shall be applicable for determination of materiality of event or 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
- the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

- 2% of turnover, as per last audited consolidated financial statements of the Company
- 2% of net worth, as per last audited consolidated financial statement of the Company
- 5% 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 the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.]*
- If in the opinion of the Board of Directors of the Company, the event or information is considered material.

The manner of determination of materiality of events outlined above is indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized KMP should exercise his/her own judgement while assessing the materiality of events associated with the Company.

- **GUIDANCE ON WHEN AN EVENT/INFORMATION SHALL BE DISCLOSED**

The timing of occurrence of an event and/or availability of information has to be decided on case to case basis by the Authorised KMP. However, the following can act as a basis for determination of when an event or information is required to be reported. The disclosure with respect to the events/ information for which timelines have been specified for Part A of Schedule III shall be made within such timelines. Refer Annexure A & B of this Policy.

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and in any case not later than the following:

- (a) For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;
- (b) For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;
- (c) For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty four) hours from the occurrence of the event or information.

- **AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION**

The following Key Managerial Personnel shall be authorised by the Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges within the applicable timelines:

1. Chief Executive Officer;
2. Chief Financial Officer; and
3. Whole Time Director

The Authorised Key Managerial Personnel shall in case of any doubt, call a meeting (including by way of a telephone call) and consult the Chairman or any other Director (s) of the Company while assessing the materiality of an event or information, and for evaluating whether the event/ information requires a Stock Exchange Disclosure..

The Key Managerial Personnel, authorized for the purpose, will be responsible for administering this Policy, determining the materiality of events or information in relation to the Company and monitoring compliance by the Company with disclosure obligations applicable to it.

The contact details of the Key Managerial Personnel, so authorized, will be disclosed to the Stock Exchanges and will be placed on the website of the Company.

- **AMENDMENTS/MODIFICATIONS**

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the existing law, then the provisions of the amended law shall prevail over the Policy and the provisions of the Policy shall be duly modified by the Board of Directors to make it consistent with the existing law.

- **DISCLOSURE OF THE POLICY**

This Policy shall be disclosed on the website of the Company.

Also, all such events or information which has been disclosed to Stock Exchange(s) under this Policy shall also be disseminated on the website of the Company for a minimum period of five years and thereafter the same shall be treated as per the Company's Policy for Preservation of Documents and Archival.

**ANNEXURE A**

**A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):**

<b>Sl.</b>	<b>Events</b>	<b>Timeline for disclosure</b>
1.	Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/merger/demerger/restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in the associate company of the listed entity or Any other restructuring.	Within 12 hours*
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.	Within 12 hours*
3.	New Ratings(s) or Revision in Rating(s).	Within 24 hours
4.	Outcome of Meetings of the board of directors	Timeline as specified in sub-para 4 of Para A Of Schedule III.
5.	Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of	Within 12 hours* (for agreements

	The listed entity), 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.	where listed entity is a party);  Within 24 hours (for agreements where listed entity is not a party).
5A.	<p>Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:</p> <p>Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other Provisions of these regulations.</p>	<p>Within 12 hours* (for agreements where listed entity is a party);</p> <p>Within 24 hours (for agreements where listed entity is not a party).</p>
6.	<p>Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director whether Occurred within India or abroad.</p>	Within 24 hours
7.	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.	<p>Within 12 hours* (except in case resignation);</p> <p>Within 24 hours (in case of resignation)</p>

7A.	In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor.	Timeline as specified in sub-para 7A of Para A of Schedule III.
7B.	Resignation of independent director including reasons for resignation.	Timeline as specified in sub-para 7B of Para A of Schedule III.
7C.	Letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director.	Timeline as specified in sub-para 7 C of Para A of Schedule III.
7D.	In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfill the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the Stock exchange(s).	Within 12 hours*
8.	Appointment or discontinuation of share transfer agent.	Within 12 hours*
9.	Resolution plan/ Restructuring in relation to loans/ borrowings from banks/ financial institutions.	Within 24 hours
10.	One time settlement with a bank.	Within 24 hours
11.	Winding-up petition filed by any party/ creditors.	Within 24 hours
12.	Issuance of notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors advertised in the media by the listed entity.	Within 12 hours*
13.	Proceedings of annual and extraordinary general Meetings of the listed entity.	Within 12 hours*
14.	Amendments to memorandum and articles of Association of listed entity, in brief.	Within 12 hours*
15.	(a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors. (b) Audio or video recordings and transcripts of post Earnings / quarterly calls, by whatever name called, conducted physically or through digital means.	Timeline as specified in sub-para 15 of Para A of Schedule III.

16.	Events in relation to the corporate insolvency Resolution process (CIRP) of a listed corporate debt or under the Insolvency Code.	Within 24 hours
17.	<p>Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:</p> <p>(a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;</p> <p>(b) Final forensic audit report (other than for forensic audit initiated by regulatory/ enforcement agencies) on receipt by the listed entity along with Comments of the management, if any.</p>	<p>Within 12 hours* (if initiated by the listed entity);</p> <p>Within 24 hours (if initiated by external agency).</p>
18.	Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the Listed entity.	Within 24 hours
19.	<p>Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:</p> <p>(a) Search or seizure; or</p> <p>(b) re-opening of accounts under section 130 of the Companies Act, 2013; or</p> <p>(c) investigation under the provisions of Chapter XIV of the Companies Act,2013;</p>	Within 24 hours
20.	Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:	Within 24 hours

	<ul style="list-style-type: none"> <li>(a) suspension;</li> <li>(b) Imposition of fine or penalty;</li> <li>(c) Settlement of proceedings;</li> <li>(d) debarment;</li> <li>(e) disqualification;</li> <li>(f) closure of operations;</li> <li>(g) sanctions imposed;</li> <li>(h) warning or caution; or</li> <li>(i) any other similar action(s) by whatever name called;</li> </ul>	
21.	Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.	Within 12 hours*

\* **Note:** *In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within thirty minutes from the closure of such meeting as against the timeline indicated in the table above.*

## **ANNEXURE-B**

### **EVENTS OR INFORMATION ON WHICH MATERIALITY GUIDELINES SHALL APPLY**

The following events, as specified in Para B of Part A of Schedule III of the SEBI Regulations shall be disclosed to the Stock Exchanges, upon application of materiality guidelines specified in Para 4 of the Policy, within the specified timeline *(as specified by SEBI in the Circular dated 13<sup>th</sup> July, 2023)*:

<b>Sl.</b>	<b>Events</b>	<b>Timeline for disclosure</b>
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division	Within 12 hours*
2.	Any of the following events pertaining to the Company:  (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 piece meal).	Within 12 hours*
3.	Capacity addition or product launch	Within 12 hours*
4.	Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Within 24 hours

Sl.	Events	Timeline for disclosure
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.	Within 12 hours * (for agreements where the Company is a party);  Within 24 hours (for agreements where the Company is not a party).
6.	Disruption of operations of any one or more units or division of the listed entity due to natural calamity(earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.	Within 24 hours
7.	Effect(s) arising out of change in the regulatory framework applicable to the Company.	Within 24 hours
8.	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company	Within 24 hours
9.	Frauds or defaults by employees of the Company which has or may have an impact on the Company	Within 24 hours
10.	Options to purchase securities including any ESOP/ESPS Scheme	Within 12 hours*
11.	Giving of guarantees or indemnity or becoming a surety by whatever name called for any third party.	Within 12 hours*
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Within 24 hours
13.	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.	Within 12 hours*

