

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION

1. Background:

HARDWYN INDIA LIMITED (Herein after refer as “**the Company**”) listed its securities with the Stock Exchange having nation wise trading terminal. The Company is committed to follow good corporate governance practices.

The Company recognizes its responsibility toward Stakeholder for disseminating material information in a fair, transparent and timely manner, in order to promote the Code of Conduct for preventing Insider Trading and Code of Corporate Disclosure Practices. Pursuant to the Regulations of the Listing Agreement and the Circulars issued by the SEBI in this connection, this Policy is being framed for use by the Company and for the information of the Investors.

1. Definitions:

In this Policy, unless the context otherwise requires:

- a. “**Board of Directors or Board**” means the collective body of the Board of Directors of the Company.
 - b. “**Chief Financial Officer**” or “**Head of Finance**”, by whatever name called, shall mean the person heading and discharging the finance function of the listed entity as disclosed by it to the recognised stock exchange(s) in its filing under these regulations;
 - c. “**Key Managerial Personnel**” means key managerial personnel shall have same meaning as specified in Clause (80) of Section 2 of the Companies Act, 2013
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- a. “**Subsidiary**” means a subsidiary defined under sub-section (87) of section 2 of the Companies Act, 2013.

All other words and expressions used that are not defined in this Policy, but defined in the SEBI Act, 1992, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and/or the rules and regulations made there under shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

1. Objective of the Policy:

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other applicable legislations.
- a. To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of specific event or information.

- b. To endeavor that corporate documents and public statements are fair and do not contain any misrepresentation.
- c. To protect the confidentiality of material/price sensitive information within the context of the Company's disclosure obligations.
- d. To provide a framework that supports and fosters confidence in the quality and integrity of material information released by the Company.
- e. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

1. Type of Information:

The information covered by this Policy shall include "information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions" (Herein after referred to as "material information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

Events or information that are deemed to be material and are to be disclosed without any application of the guidelines for materiality are specified in List 1 to this Policy.

Events or information that are to be disclosed based on materiality principle are specified in List 2 to this Policy.

Without prejudice to the above, the Company may make disclosure of events and information as specified by Stock Exchange from time to time.

1. Persons Responsible for Disclosure:

The Board of Directors of the Company have authorized the Managing Director, Chief Financial Officer and the Company Secretary, (Hereinafter referred to as "Authorized Persons") to determine the materiality of an event or information and to make appropriate disclosure to the Stock Exchanges and also on the Company's website on a timely basis.

The Authorized Persons are also empowered:

- a. To seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- b. To call for information from all its internal stakeholders including the heads of its Subsidiaries, Promoters.

The Authorized Person(s) shall have the following responsibilities for determining the material events or information:

- i. To put in place an adequate mechanism for collecting relevant information and events on time basis, to the extent possible, to enable appropriate disclosures under this Policy. The mechanism should include the responsibility of all internal stakeholders to report all events and information as covered in Lists 1 and 2.

- i. To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of acts and circumstances prevailing at a given point in time.

- i. To determine the appropriate time at which the disclosures are to be made to the stock exchanges and on the Company's website based on an assessment of actual time of occurrence of an event or information

- i. To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations

- i. To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such event or information.

- i. To disclose all events or information with respect to the subsidiaries, if any which are material for the Company.

1. Guidelines for Assessing Materiality

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

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

- a. The omission of an event or information which is likely to:
 - i. result in a discontinuity or alteration of an event or information already available publicly; or
 - i. result in significant market reaction if the said omission came to light at a later date;

- a. In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

1. **Guidance on Timing of an Event or Information:**

- a. The Company may be confronted with the question as to when an event/information can be said to have occurred.

- a. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the Company became aware of the event/information.
- i. In the former, the events/information can be said to have occurred upon receipt of approval of 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.

- i. In the latter, 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.

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

1. **Policy Review:**

The Authorized Persons may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors.

In case of any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

Any amendments to the Listing Obligations shall *mutatis mutandis* be deemed to have been incorporated in this Policy.

1. **Effective Date:**

The Policy as approved by the Board of Directors for the period of 5 years effective from June, 2022.

1. **Website:**

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and the disclosures shall be made available on the website of the Company as and whenever required under the regulations of the Listing Agreement read with the Companies Act, 2013 and the rules made there under.

1. **Contact Details:**

Queries or clarifications about the policy or disclosures made by the Company should be referred to the Company Secretary as under:

List 1

Events or Information that are to be disclosed WITHOUT application of Materiality Guidelines listed in the Policy

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 listed entity or any other restructuring

Explanation – For the purpose of this sub-para, the word “acquisition” shall mean, –

- i. Acquiring control, whether directly or indirectly; or,
- i. 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 made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two percent 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 Rating(s).

1. 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:
 - b. 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;
 - c. Any cancellation of dividend with reasons thereof;
 - d. The decision on buy back of securities;
 - e. The decision with respect to fund raising proposed to be undertaken;
- a. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- b. 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 subscribe to;
- c. Short particulars of any other alterations of capital, including calls;
- d. Financial results;
- e. Decision on voluntary delisting by the Company from stock exchange(s)

1. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of 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.
2. Fraud/defaults by promoter or key managerial personnel or by the Company or any kind of legal action initiated thereto.

3. Change in directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor
4. Appointment or discontinuation of share transfer agent.

1. Corporate debt restructuring.

1. One time settlement with a bank.

1. Reference to BIFR and winding-up petition filed by any party/creditors.

1. Issuance of Notices, call letters, resolutions and circulars sent to shareholders or advertised in the media by the Company.
2. Proceedings of Annual General Meeting and Extra-Ordinary General Meetings of the Company.
3. Amendments to Memorandum of Association and Articles of Association of Company, in brief.
4. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

List2

Events or Information that are to be disclosed based on the Materiality Guidelines listed in the Policy.

1. 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 piece meal).
2. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), or events such as strikes, lockouts etc.

1. Litigation(s)/Dispute(s)/Regulatory action(s) with impact:

The Company shall disclose all the litigations involving the issuer/its directors/promoters/group companies/subsidiaries related to:

- i. All criminal proceedings;
- ii. All actions by statutory/regulatory authorities;
- iii. Taxation Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount;
- iv. All other pending litigations filed or pending against the Company where the amount claimed by or against the Company/Promoter/Group Company/Subsidiary;

1. Group Companies:

Group Company (ies) shall be considered to be material if the transaction/transactions to be treated into individually or taken together with previous transactions during a financial year exceeds 10% of the annual turnover of the Company as per the last audited financial statements of the Company. The Company shall make relevant disclosure before the Audit Committee/the Board as required by the applicable law.

1. Fraud/defaults etc .by directors(other than key managerial personnel)or employees of the Company.

1. 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.