

POLICY FOR DETERMINING MATERIALITY FOR DISCLOSURES
OF
B.N. RATHI SECURITIES LIMITED

1. Legal Framework

This policy for Determination of Materiality of Events or Information (“the Policy”) is aimed at providing guidelines to the management of **B.N. RATHI SECURITIES LIMITED** (“the Company”), to determine the materiality of events or information, which could affect the investment decisions and to ensure timely and adequate dissemination of information to the Stock Exchanges.

The Policy has been formulated in accordance with the current guidelines laid down under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events and information.

2. Objective

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

3. Definitions

All the words and expressions used in this policy shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued there under, as amended from time to time.

4. Applicability

Information relating to material events and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchanges. For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of shares of the Company.

- (1) The Company shall make disclosures of any events or information which, in the opinion of the board of directors of the company, is material.
- (2) Events specified in Para A of Part A of Schedule III are deemed to be material events and The Company shall make disclosure of such events.
- (3) The Company shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified below.

(4)

- i) The Company shall consider the following criteria for determination of materiality of events/information:
 - 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; or
 - c. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - i) two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - ii) 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;
 - iii) 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:

Provided that any continuing event or information which becomes material pursuant to notification of the amendment regulations shall be disclosed by the Company within **thirty days** from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

- ii) The Company as framed the policy for determination of materiality, based on criteria specified as above, with the approval of the board of directors and is also disclosed on website of the Company.

The 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, for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

- (5) The board of directors of the Company have authorized Mr. Hari Narayan Rathi, Managing Director and Mr. Chetan Rathi, CFO severally to determine materiality of an event or information and for the purpose of making disclosures to stock exchange(s) and contact details of such personnel are disclosed to the stock exchange(s) and as well as on the Company's website.
- (6) The Company shall first disclose to the stock exchange(s) all events or information which are material 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;
 - 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 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.

- (7) The Company shall, with respect to disclosures, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- (8) The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s), and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.
- (9) The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.
- (10) The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information:
- (11) The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s)

5. Disclosure process:

Any event, transaction, or information purported to be reportable under Regulation 30 of the Listing Regulations shall be informed to the authorised KMP, on an immediate basis with supporting data / information to facilitate a prompt and appropriate disclosure.

The authorised KMP shall be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this policy.

As decided and directed by the authorised KMP, the Company Secretary or in his/her absence any authorized official of the Company, shall make disclosure to the Stock Exchanges. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.

Statutory time frames for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure. Regular updates, where relevant, shall be made with relevant explanations.

6. Conflict with other policies

Where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this policy until such time as this policy is amended to conform to the said law, rule, regulation or standard.

7. Amendments

The Board of Directors reserves the right to amend or modify this policy whole or in part, as may be required to comply with any further amendment(s)/Modification(s) in the listing regulations and/or other applicable laws.

8. Website of the Company

This 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 the stock exchange(s) under the Listing Regulations and further that such disclosure shall be made available on the website of the Company for a period of at least five years thereafter.

9. Authorization of Key Managerial Personnel

The Board of Directors has authorized:

Managing Director and Chief Financial Officer, severally to determine the materiality of events/information and to disclose such information to the stock exchanges.

Annexure 1

Timeline for disclosure of events specified in Part A of Schedule III of the LODR Regulations

Para / sub-para	Events	Timeline for disclosure
A.	Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):	
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 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.	Within 12 hours * (for agreements 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>	<p>Within 24 hours</p>
7.	<p>Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.</p>	<p>Within 12 hours * (except in case resignation);</p>
		<p>Within 24 hours (in case of resignation)</p>
7A.	<p>In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor.</p>	<p>Timeline as specified in sub-para 7A of Para A of Schedule III.</p>
7B.	<p>Resignation of independent director including reasons for resignation.</p>	<p>Timeline as specified in sub-para 7B of Para A of Schedule III.</p>
7C.	<p>Letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director.</p>	<p>Timeline as specified in sub-para 7C of Para A of Schedule III.</p>
7D.	<p>In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil 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).</p>	<p>Within 12 hours *</p>

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 or any class of them or 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 debtor under the Insolvency Code.	Within 24 hours
17.	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: (a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; (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.	Within 12 hours * (if initiated by the listed entity); Within 24 hours (if initiated by external agency).
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.	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: (a) search or seizure; or (b) re-opening of accounts under section 130 of the Companies Act, 2013; or (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;	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: (a) suspension; (b) Imposition of fine or penalty; (c) settlement of proceedings; (d) debarment; (e) disqualification; (f) closure of operations;	Within 24 hours
	(g) sanctions imposed; (h) warning or caution; or (i) any other similar action(s) by whatever name called;	
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 *
B.	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	Within 12 hours *
2.	Any of the following events pertaining to the listed entity: (i) arrangements for strategic, technical, manufacturing, or marketing tie-up; or (ii) adoption of new line(s) of business; or (iii) closure of operation of any unit, division, or subsidiary (entirety or piecemeal)	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

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 listed entity is a party); Within 24 hours (for agreements where listed entity 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 listed entity.	Within 24 hours
8.	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.	Within 24 hours
9.	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.	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 *
C.	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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.	Within 24 hours
D.	Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.	Timeline as specified by the Board.

* **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.

1. The timeline for making disclosure under Regulation 30A of the LODR Regulations is given below:
 - i. Future agreements (Reg. 30A(1)): the parties to the agreements shall inform the listed entity about the agreement to which such a listed entity is not a party within two working days of entering into the agreement or signing an agreement to enter into such agreements.
 - ii. Subsisting agreements (proviso to Reg. 30A(1)):

- a. Timeline for the parties to the subsisting agreements to inform the listed entity about the agreement to which such a listed entity is not a party: July 31, 2023.
 - b. Timeline for the listed entity to disclose all such subsisting agreements to the stock exchange(s) and on its website: August 14, 2023.
2. As specified in sub-regulation (4) of LODR Regulations, any continuing event or information which becomes material pursuant to the notification of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 shall be disclosed by the listed entity within thirty days from the date of coming into effect of the amendment regulations, i.e., by August 14, 2023.

TIMELINE AS SPECIFIED IN SUB-PARA 4 OF PARA A OF SCHEDULE III

Outcome of Meetings of the board of directors: The listed entity 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 subscribe to;
- g) short particulars of any other alterations of capital, including calls;
- h) financial results;
- i) decision on voluntary delisting by the listed entity from stock exchange(s):

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered