

## **EXPLEO SOLUTIONS LIMITED**

### **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

#### **1. Legal Framework:**

The Policy is framed pursuant to the requirements of the Regulation 30 (4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations), with respect to disclosure of material events and information.

The Board of Directors has approved and adopted this policy on 15<sup>th</sup> July, 2022.

#### **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 Obligations and Disclosure Requirements) Regulations, 2015, to enable them to take well informed investment decisions with regard to the securities of the Company.

#### **3. Policy**

##### **I. Categorization of Events/Information:**

Material Events / Information may be categorized as under:

- A. Events specified in Annexure – A: They are all deemed to be material events.
- B. Events specified in Annexure – B: The Company shall apply guidelines as per clause II given below to determine the materiality of an event.
- C. Any other information/event: Major development that is likely to impact business or any other information which is exclusively known to the Company which may be necessary to enable the shareholders appraise its position on the Securities of the Company and not covered under either A or B as above.
- D. The Company shall disclose all material events or information with respect to subsidiaries of the Company.

## II. Criteria for determining materiality of events:

The Company shall consider the following criteria for determining the materiality of events / information:

- (i) Quantitative criteria: would be calculated based on the latest audited financial statements, and would mean event/ information where the value involved or the impact:
  - a) exceeds 20% (twenty per cent) of the consolidated turnover, or
  - b) exceeds 30% (thirty per cent) of the net worth on consolidated basis; whichever is lower.
- (ii) Qualitative criteria:
  - 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) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.

## 4. Determination, Occurrence and Intimation of event

- a) The events/information can be said to have occurred when the Company becomes aware of the event/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/her duties.
- b) The Company may also decide the disclosure of the event based on the timing, stage of discussion, negotiation or the events can be said to have occurred upon receipt of approval from the Board of Directors, Shareholders or other relevant authority. Relevant authority for this purpose means any statutory authority as may be applicable.
- c) **Managing Director** shall be the person who is authorized by the Board of Directors for the purpose of determining materiality of the events.
- d) The Managing Director, Chief Financial Officer and the Company Secretary are severally authorized for the purpose of making disclosures to Stock Exchanges.

## 5. Disclosure:

- A. The events / information, if found material on application of this policy, shall be disclosed to Stock Exchanges as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information.

Provided that in case disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with the disclosure provide the explanations for delay.

- B. With respect to outcome of meeting of Board as mentioned in Schedule A (pt.4), disclosure shall be made within 30 minutes of the conclusion of the Board Meeting.

The Company shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

- C. The Company shall disclose on its website all such events or information, which has been disclosed to stock exchanges under this regulation, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter for a period of three years in archival.

In order to ensure that the Company complies with the disclosure obligations under Regulation 30, the Chief Financial Officer, Company Secretary, Senior Directors, Directors, Head of the Departments who are responsible for relevant areas of the Company's operations (Responsible Officers) must report immediately to Managing Director & Chief Executive Officer of the Company about any event or information, once they come to know about the same.

On receipt of communication of such event or information the Managing Director & CEO shall assess the same vis-à-vis to this policy and shall take it forward as appropriate.

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

- 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,
  - (ii) Acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
    - a) the listed entity 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 per cent 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).
  - 4) 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.

- 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.
- 6) Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
- 7) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc.), Auditor and Compliance Officer.

7A In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the Stock Exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

7B Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the Stock Exchanges by the listed entities:

- i. The letter of resignation along with detailed reasons for the resignation as given by the said director
  - ii. The names of listed entities in which the resigning independent director holds directorships, indicating the category of directorship and membership of board committees, if any, shall be disclosed by the listed entities to the Stock Exchanges.
  - iii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
  - iv. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the Stock Exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
- 8) Appointment or discontinuation of share transfer agent.
  - 9) Resolution Plan / Restructuring in relation to loans / borrowings from banks / financial institutions including the following details:
    - (i) Decision to initiate resolution of loans / borrowings;
    - (ii) Signing of Inter-Creditors
    - (iii) Finalisation of Resolution Plan
    - (iv) Implementation of Resolution Plan

(v) Salient features, not involving commercial aspects, of the resolution / restructuring plan as decided by lenders

- 10) One time settlement with a bank.
- 11) Reference to BIFR and winding-up petition filed by any party / creditors.
- 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.
- 13) Proceedings of Annual and Extraordinary General Meetings of the listed entity.
- 14) Amendments to memorandum and articles of association of listed entity, in brief.
- 15) a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors. Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.
- 16) (b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
  - (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
  - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.
- 17) Default in payment of interest / instalment obligations on loans, including revolving facilities like cash credit, from banks / financial institutions and unlisted debt securities.

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

- 1) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- 2) 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 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) (as a borrower) 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 listed entity 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) Litigation(s) / dispute(s) / regulatory action(s) with impact.
- 9) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
- 10) Options to purchase securities including any ESOP/ESPS Scheme.
- 11) Giving of guarantees or indemnity or becoming a surety for any third party.
- 12) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.