

# **SBEC SYSTEMS (INDIA) LIMITED**

## **Policy for Determination of Materiality of Events/Information and Disclosure/Dissemination of Material Events/Information (Amended on 11.08.2023)**

### **1. INTRODUCTION**

In pursuance of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), SBEC Systems (India) Limited (“the Company”) is required to formulate a policy for determination of materiality of events and information which are required to be disclosed to the stock exchanges where the securities of the Company are listed (“Stock Exchanges”). Accordingly, the Board of Directors of the Company has approved and adopted this ‘Policy for Determination of Materiality of Events/Information and Disclosure/Dissemination of Material Events/Information’ (“Policy”).

### **2. DEFINITIONS**

“**Board of Directors or Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Company**” means SBEC Systems (India) Limited.

“**Material Events or Material Information**” shall mean and include such event/information as set out in this Policy.

### **3. OBJECTIVE**

The Policy aims to provide a framework for determining materiality of events and information for the purpose of making disclosure to Stock Exchanges in terms of Regulation 30 of Listing Regulations.

### **4. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION**

The following criteria shall be considered for determination of materiality of events and information:

- a. Events or information specified in Para A of Part A of Schedule III to the Listing Regulations, shall be deemed to be material. Such events shall be disclosed without any application of the guidelines for materiality.
- b. In respect of events or information specified in Para B of Part A of Schedule III to the Listing Regulations, the following criteria shall be applied for determination of materiality :-
  - i. Omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

- ii. 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; or
- iii. Omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - 1) 2% of turnover, as per the last audited consolidated financial statements of the Company;
  - 2) 2% 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;
  - 3) 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 case where the criteria specified in sub clauses I, II and III 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:

- 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 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.
- d. Without prejudice to the generality of Para (a), (b) and (c) above, the Company may make disclosures of event/information as specified by SEBI from time to time.

## **5. DISCLOSURE OF EVENTS OR INFORMATION**

- 5.1. The Company shall make disclosures of any events or information as specified in Clause 4 above, within such time as specified in the Listing Regulations.
- 5.2. The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- 5.3. The Company shall also disclose any other event or information to the Stock Exchanges which is considered material by the Board of Directors of the Company.
- 5.4. The aforesaid events and information shall be disclosed to the Stock Exchanges in the manner prescribed under Listing Regulations.

## **6. AUTHORITY**

The Chairman of the Company, Executive Director, Chief Executive Officer and Company Secretary of the Company have been authorised to determine materiality of any event or information subject to the provisions of this policy.

**7. IDENTIFICATION OF ANY POTENTIAL MATERIAL EVENT OR INFORMATION**

Senior Management Personnel shall be under an obligation to inform any event or information:

- a. Specified in Para A of Part A of Schedule III of the Listing Regulations, which he/she or any of his/her support staff become aware of, promptly on occurrence, with adequate supporting data/information, to the authorised KMPs as mentioned in Clause 6 of the Policy, to facilitate prompt disclosure to the stock exchange.
- b. Specified in Para B of Part A of Schedule III of the Listing Regulations, which he/she or any of his/her support staff become aware of, promptly on occurrence, with adequate supporting data/information, to the authorised KMPs as mentioned in Clause 6 of the Policy, for further review, verification, analysis and evaluation. The Authorised KMPs shall promptly disclose the same to the stock exchange, as may be required if considered material.
- c. Referred to in Clause 4 sub clause (c) and (d) of the Policy, which he/she or any of his/her support staff become aware of, promptly on occurrence, with adequate supporting data/information, to the authorised KMPs as mentioned in Clause 6 of the Policy, for further review, verification, analysis and evaluation. The Authorised KMPs shall promptly disclose the same to the stock exchange, as may be required.

**8. DISCLOSURE ON WEBSITE OF THE COMPANY**

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website for a minimum period of five years and thereafter as per the archival policy, as disclosed on the website.

**9. AMENDMENT**

This Policy can be amended, modified or revised by the Board of Directors of the Company from time to time. Any provision in this policy, in so far as it is inconsistent or contradictory with the provisions of law and/ or any statutory enactments shall, to the extent of such inconsistency, be void and the provisions of law/ statutory enactment shall prevail.

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