

NANAVATI VENTURES LIMITED

**POLICY FOR DETERMINATION OF
MATERIALITY OF EVENTS AND INFORMATION**

Constituted Date: 26th October, 2020

Last Amendment Date: 4th September, 2023

APPROVED BY: Board of Directors

Policy for Determination of Materiality of Events and Information

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

PREAMBLE:

This Policy for Determination of Materiality of Events or Information (the “Policy”) is aimed at providing guidelines to the Management of NANAVATI VENTURES LIMITED (the “Company”), to determine the materiality of events or information, that matters/makes influence on the Company as well as any price sensitive information and ensure timely and adequate dissemination of information to the stock exchanges.

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India (“SEBI”), under Regulation 30(4)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), with respect to disclosure of events and information which in the opinion of the Board of Directors of the Company, is material as well as any price sensitive information.

OBJECTIVE:

The objective of this Policy is to serve as a guiding Charter to the Management to ensure timely, sufficient & reliable information and communication in the coherent manner regarding material events that matters/makes influence on the Company are made to the stakeholders by the Company as the regulatory requirements under the Listing Regulations, to enable them to take well informed decisions with regard to the securities of the Company.

DEFINITIONS:

- I. “**Company**” means “Nanavati Ventures Limited”;
- II. “**Board**” means the Board of Directors of the Company;
- III. “**Listing Regulations**” means the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- IV. “**Policy**” means this Policy on Determination of Materiality of events;
- V. “**Schedule III**” means Schedule III of the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Any other terms and expressions used in the policy, unless defined hereinafter, shall have meanings respectively assigned to them under the Listing Regulations 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.

THE BASIC PRINCIPLES REGARDING FAIR DISCLOSURE OF EVENTS OR INFORMATION:

This Policy aims to follow the following principles:

- a) **Timeliness:** Disclosure of material information as soon as reasonably possible and not later than 24 hours from the occurrence of event or information or such other item as may be prescribed by SEBI in the Listing Regulations from time to time.
- b) **Transparency:** Disclosure of material information with sufficient details that fosters investor's confidence.
- c) **Fairness:** Ensure wide dissemination of information avoiding the selective disclosure.
- d) **Confidentiality:** Maintaining the confidentiality of price sensitive information having regard to the disclosure obligations.
- e) **Need to know basis:** Ensure that all the price sensitive information is made available only on a need to know basis and provide guidance to the persons on the means to handle such information.
- f) **Materiality:** Ensures that all materiality information is made generally available.

CRITERIA FOR DETERMINATION OF MATERIALITY:

The Board or the Key Managerial Personnel so authorized by the Board for the purpose, shall consider and apply the below mentioned criteria for determining the materiality of an event or 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;
- (c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

- (1) two percent of turnover, as per the last audited consolidated financial statements of the

listed entity;

- (2) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
- (3) 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 listed entity;

However, in case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, The Key Managerial Personnel under the Guidance/Information to the Board of Directors shall on case to case basis, based on specific facts and circumstances relating to an event/information determine its materiality and make necessary disclosure/ intimation to the Stock Exchange(s), for those as determined to be Material.

AUTHORITY AND RESPONSIBILITY:

The Policy has been established and approved by the Board of Directors in their meeting held on 26th October, 2022, pursuant to the Listing Regulations. Further, the Policy has been amended by the Board of Directors in their meeting held on 4th September, 2023.

In terms of Regulation 30 (5) of the Listing Regulations, the Board of Directors of the Company has authorized the following KMP of the Company:

- (1) Chairman & Managing Director
- (2) Executive Director
- (3) Chief Financial Officer and
- (4) Company Secretary

as the 'Authorised Persons' to determine the materiality of the events or information as per this Policy and making disclosures to the Stock Exchanges.

The above Authorised Persons will determine the materiality of any events or information as well as any price sensitive information and classify it as a material events or information.

The above Authorised Persons will decide the appropriate time(s) at which disclosure is to be filed with the stock exchanges and details that may be filed in the best interest of the Company's stakeholders.

DISCLOSURE OF EVENTS OR INFORMATION WHICH ARE DEEMED TO BE MATERIAL

A. Events which shall be disclosed without any application of the guidelines for materiality are as under:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company or any other restructuring.

Explanation (1)- 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 existing or to be incorporated, 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 per cent of the total shareholding or voting rights in the said company.
 - (c) The cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (2)- For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

- (i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or
- (ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

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. New Ratings or Revision in Rating(s).
4. 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:
 - 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 Company 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 Company), 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.

5(A) 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 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, or not the listed entity is a party to such agreements:

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.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

6. Fraud/defaults by promoter, director, senior management or subsidiary or key managerial personnel or by Company or arrest of key managerial personnel, senior management, director or promoter whether occurred within India or abroad:

For the purpose of this sub-paragraph:

- (i) ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- (ii) ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, 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.
 - (ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - iii. 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.
- (7C) In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.
- (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).

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 Agreement (ICA) by lenders;
- (iii) Finalization of Resolution Plan;
- (iv) Implementation of Resolution Plan;
- (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.

10. One time settlement with a Bank.

11. 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 Company.
13. Proceedings of Annual and Extraordinary General Meetings of the Company.
14. Amendments to Memorandum and Articles of Association of Company, in brief.
15. (a) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company 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, 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
 - (ii) 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;
 - (iii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:
16. The events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.
17. Initiation of Forensic audit.
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.

Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

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;

Along with the following details pertaining to the action(s) initiated, taken or orders passed:

- i. name of the authority;
- ii. nature and details of the action(s) taken, initiated or order(s) passed;
- iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

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;
- (g) sanctions imposed;
- (h) warning or caution; or

(i) any other similar action(s) by whatever name called; along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- i. name of the authority;
- ii. nature and details of the action(s) taken, initiated or order(s) passed;
- iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

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.

B. Events which shall be disclosed upon application of the Guidelines for materiality:

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) 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Fraud/defaults by employees of listed entity or may have an impact on the listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety by whatever name called for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

- 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 the Board from time to time.

TIMELINE FOR DISCLOSURE OF MATERIAL EVENTS:

The Company shall disclose to the stock exchanges of all events, which are deemed to be material information as soon as reasonably possible and not later than twenty four (24) hours from the occurrence of the event/information. In the event the disclosure is made after twenty four (24) hours of occurrence of the event or information, the Company shall, along with such disclosures provide an explanation for such delay.

The Company shall make disclosure with respect to events specified in the sub-para 4 of para A of Point No. 6 of the policy shall be made within thirty (30) minutes of the conclusion of the Board Meeting.

The Company shall also make disclosures updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed, and to be disclosed to the stock exchanges with relevant explanations.

The Company shall also disclose all events or information with respect to subsidiaries which are material, if any, for the Company.

The Company shall also disclose about the all event occurs or an information available with the Company, which has not been indicated in Para A or B of Point No. 6 of Policy of the Company, but which may have material effect on it, the Company is required to make adequate disclosure in regards thereof.

DISCLOSURE ON THE WEBSITE OF THE COMPANY:

All such events or information which has been disclosed to stock exchanges under the Listing Regulations shall be made available on the Company's website. Such events or information shall be placed on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company.

The Policy and the contact details of the persons authorized by the Board shall also be available on the website of the Company.

DELAY IN DISCLOSING MATERIAL INFORMATION:

In certain unavoidable circumstances or due to confidentiality of information for a limited period of time, the Company might delay in disclosing the material event/information to the stock exchange, in that case the disclosure regarding delay in disclosing the material event/information along with the reasonable explanation and clarification will be disseminated to the stock exchange by the Authorised Officials of the Company.

REVIEW OF THE POLICY:

This policy shall be subject to review by the Board as may be deemed necessary and in accordance with any regulatory amendments.
