

# **Walchandnagar Industries Limited**

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

**(Effective from April 01, 2020)**

**Last amended on September 26, 2023**

## POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS

The Board of Directors of Walchandnagar Industries Limited (herein after referred to "Company") have adopted a Policy for determination of materiality of events (hereinafter referred to as "Policy"). The Policy aims for disclosure of important and material events of the Company to the Stock Exchanges where the equity shares are listed and to the stakeholders in compliance with the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Regulations").

The Policy endeavors to promote transparency and to ensure that the stakeholders are informed regarding the major and material events of the Company. The Company, in addition to the disclosure of events specified under Para A of Part A of Schedule III of the Regulations, shall also make disclosure of events or information specified under Para B of Part A of Schedule III, which, in the opinion of the Board of Directors of the Company, is material in nature.

### EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR Regulations (as applicable from time to time) ("Para A Events") without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

### CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION RELATING TO THE COMPANY

The KMP as authorized by the Board of Directors for the purpose of determining the materiality of events and information shall consider the following criteria for determining the materiality of events /information:

**Quantitative criteria** would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- (a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or
- (b) 2% (two per cent) of consolidated 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)); or
- (c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

**Qualitative criteria** would mean an event/ 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) In case where the criteria specified in sub - clauses (a) and (b) are not applicable, an event /information may be treated as being material if in the opinion of the Board of Directors of the Company, the event/ information is considered material.

The KMPs authorised by the Company may consider any other event/ information that is likely to affect the business of the Company and is a major development in the organization and provide brief details to the Exchange and further it may also disclose any other information which is exclusively known to the Company which may enable the stakeholders to appraise its position and to avoid establishment of a false market.

The Board of Directors of the Company have authorized Mr. Chirag C. Doshi, Managing Director and C.E.O. and Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary for the purpose of determining materiality of an event or information in consultation with the Board wherever required, and for the purpose of making disclosures to the stock exchange(s). The contact details of the above - mentioned officials are given below:

Name	E-mail id	Contact No.
Mr. Chirag C. Doshi	ccdoshi@walchand.com	022-23612195/96
Mr. G. S. Agrawal	giriraj.agrawal@walchand.com	022-23612194

## **DISCLOSURE**

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and in any case not later than the following:

- i. For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;
  - ii. For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;
  - iii. For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty four) hours from the occurrence of the event or information.
- a) In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.
  - b) The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

## **AMENDMENTS**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force, and this Policy does not, and shall not, in any manner dilute any of the requirements set out under Regulation 30 read with Schedule III of the LODR Regulations.