

Policy on Determination of Materiality of Events/ Information
{Under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}.

1. Background and Objective

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), which is applicable with effect from December 1, 2015, requires every listed company, whose specified securities are listed on any recognized stock exchange (s) to frame a Policy for determination of materiality of events or information ("Policy"), duly approved by the Board of Directors. The Board of Directors accordingly approved the Policy. This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the Listing Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 and the SEBI Circular dated July 13, 2023.

The objective of the Policy:

1. To systematically identify, categorize, review and determine materiality of event / information for the purpose of disclosure to Stock Exchanges as required under Listing Regulations.
2. To ensure that the information disclosed by the Company is adequate, accurate, timely and transparent.
3. To provide guidance to the Board of Directors, Key Managerial Persons and other executives and staff working in the Company in making decisions and to assist them in identifying any potential material event or information and reporting the same to the authorized persons, in terms of Regulation 30 (5) of the Listing Regulations.

2. 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 Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality, as specified in Regulation 30 (2) of Listing Regulations and in accordance with requirements of the SEBI Circular dated July 13, 2023 (as applicable from time to time).

3. Events which are dependent on application of guidelines for materiality

The Company shall disclose all such material events or information pertaining to itself or to its subsidiary (s) / associate, specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality, as set out under the Listing Regulations.

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria will be applicable for determining materiality of event or information:

a. The omission of an event or information which is likely to:

- i. result in a discontinuity or alteration of an event or information already available publicly;
or
- ii. result in significant market reaction if the said omission came to light at a later date; or

b. 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; or

ii. two percent of net worth, except in case of the arithmetic value of the net worth is negative, as per the last audited consolidated financial statements of the Company;

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

Accordingly, any transactions exceeding the lower of i, ii or iii above, with an annual impact in value, will be considered for the above purposes.

c. In case where the criteria of an event or information does not fall in any of the above two categories, but still in the opinion of the Board of Directors of the Company are considered material.

4. Guidance on timing of occurrence of an Event or Information for onward disclosures:

As prescribed under Regulation 30 (6) of the Listing Regulations, all events or information which are material as determined under this Policy shall be disclosed to the stock exchanges, as soon as reasonably possible and in any case not later than:

a. 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;

b. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

c. twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

In this regard, the Company shall evaluate the event / information to when it can be said to have occurred, depending upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the Company becomes aware of the event/information.

The events / information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company (as defined in Companies Act, 2013) becomes aware of the event or comes into possession of the information in the course of the performance of his duties.

5. Authority for determination of Materiality of events / information

The Chairman & Managing Director is authorised to determine whether the event / information is material or not and in turn about its time line for disclosure based on the category of information to the stock exchanges, subject to such information being placed prior to or at the immediate Board Meeting held after the said information being made public.

6. Authorisation to suo moto confirm, deny or clarify reported event or information

The Company shall confirm, deny or clarify any reported event or information in the mainstream media, which is not general in nature and indicates that rumours of an impending specific material event or information that are circulating amongst the investing public and also provide the current stage of such event or information. Such disclosure will be as per the timelines prescribed under Listing Regulations as applicable to the Company and amendment made thereon from time to time.

7. Disclosure of events / information relating to Subsidiary / Associate

The Chairman and Managing Director, Company Secretary and Chief Financial Officer of the company shall, jointly and severally, disclose such events / information about its Subsidiary / Associate which are considered material in nature and whose disclosure is likely to materially affect the share price of the Company.

8. Website

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company.

9. Compliance Officer

The Compliance Officer for the Purpose of complying with the provisions of Listing Regulations shall be the Company Secretary of the Company.

10. Policy Review

The Board may review and amend this policy from time to time, to comply with any regulatory amendments or statutory modifications. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

11. Board's Approval

This policy was approved by the Board of Directors on November 13, 2015 and the amendments to the policy were approved by the Board of Directors on August 14, 2023. The Chairman and Managing Director has the authority to change or amend the policy as may be expedient taking into account the law for the time being in force.

For Sree Rayalaseema Hi-Strength Hypo Ltd.


(T.G. BHARATH)
Chairman & Managing Director

Annexure –I

Timeline for disclosure of events specified in Para 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 Company, sale of stake in the associate company of the Company 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 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	Within 12 hours * (for agreements where Company is a party); Within 24 hours (for agreements where Company is not a party).
5A	Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company 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 Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements: Provided that such agreements entered into by a Company 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	Within 12 hours * (for agreements where Company is a party); Within 24 hours (for agreements where Company is not a party).

	Company or they are required to be disclosed in terms of any other provisions of these regulations.	
6	Fraud or defaults by a Company, 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.	Within 24 hours
7	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer	Within 12 hours * (except in case of resignation); Within 24 hours (in case of resignation)
7A.	In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor.	Timeline as specified in sub- para 7A of Para A of Schedule III.
7B.	Resignation of independent director including reasons for resignation.	Timeline as specified in sub- para 7B of Para A of Schedule III.
7C.	Letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director.	Timeline as specified in sub- para 7C of Para A of Schedule III.
7D.	In case the Managing Director or Chief Executive Officer of the Company 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).	Within 12 hours *
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 Company.	Within 12 hours *
13.	Proceedings of annual and extraordinary general meetings of the Company.	Within 12 hours *
14.	Amendments to memorandum and articles of association of Company, in brief.	Within 12 hours *
15.	(a) Schedule of analysts or institutional investors meet and presentations 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.	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 the Company: (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 Company along with comments of the management, if any.	Within 12 hours * (if initiated by the Company); 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 Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company.	Within 24 hours
19.	Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, 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 Within 24 hours
20	Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, 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 any other similar action(s) by whatever name called;	Within 24 hours
21	Voluntary revision of financial statements or the report of the Board of Directors of the Company under section 131 of the Companies Act, 2013.	Within 24 hours

* **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.

Timeline for disclosure of events specified in Para B of Schedule III of the LODR Regulations

Para B	Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30)	Timelines
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 Company: (i) arrangements for strategic, technical, manufacturing, or marketing tie-up; or (ii) adoption of new line(s) of business; or 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 Company is a party); Within 24 hours (for agreements where Company is not a party).
6	Disruption of operations of any one or more units or division of the Company 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 Company.	Within 24 hours
8	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.	Within 24 hours
9	Frauds or defaults by employees of the Company which has or may have an impact on the Company.	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 *
	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	Within 24 hours

	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.	
	Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by the SEBI from time to time.	Timeline as specified by the SEBI.

* **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.

For Sree Rayalaseema Hi-Strength Hypo Ltd.

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(T.G. BHARATH)
Chairman & Managing Director