

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

*(Pursuant to Regulation 30(4) (ii) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

## **R K SWAMY LIMITED**

*(Formerly Known as 'R.K.SWAMY BBDO Private Limited' and 'R K Swamy Private Limited')*

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*(Duly approved by board of Directors of the Company through meeting held on **November 30, 2023**)*

## 1. PREAMBLE:

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**Listing Regulations**”) with respect to disclosure of events and information.

This policy shall come into effect from the date of listing of equity shares of the company on the stock exchanges.

## 2. PHILOSOPHY/ OBJECTIVE:

The objective of this Policy is to provide guidance to the employees of the Company in identifying potential material events or information in an objective manner that may originate at the ground level which can be promptly escalated and reported to the authorised Key Managerial Personnel or other officers of the Company, as specified in this Policy, for determining the materiality of the said event or information and for making necessary disclosure to the BSE Limited and the National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”). All provisions of Regulation 30 read with Schedule III of the Listing Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

## 3. DEFINITIONS:

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

“**Company**” means R K Swamy Limited.

“**Companies Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Key Managerial Personnel**” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.

“**Listing Regulations/ SEBI LODR**” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“**Net Worth**” shall have the meaning assigned to it in Section 2(57) of the Companies Act.

“**Policy**” shall mean this policy to determine the materiality of events or information in order to ensure timely and adequate dissemination of information to the Stock Exchanges.

“**SEBI Disclosure Circular**” shall mean SEBI circular number SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023.

“**Stock Exchange(s)**” means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.

“**Turnover**” shall have the meaning assigned to it in Section 2(91) of the Companies Act.

### **Note:**

*Words and expressions used and not defined herein shall have the meaning respectively assigned to them under the Listing Regulations / Companies Act or other applicable laws.*

#### **4. KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY:**

A Disclosure Committee comprising of the following KMPs and officers of the Company are hereby authorized to determine the materiality of an event or information, evaluate whether an event/information requires Stock Exchange disclosures and any of the members of this committee may be authorised by the Committee to make disclosures to the Stock Exchanges within the applicable timelines (“**Authorized Person(s)**”):

1. Managing Director;
2. Group CEO and Whole time Director;
3. Group Chief Financial Officer;
4. Company Secretary and
5. Compliance Officer.

The contact details of the Authorised Person(s) shall be disclosed to the Stock Exchange(s) and made available on the website of the Company.

The materiality of events/ information outlined in the policy are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person(s) should exercise his/her own independent judgement while assessing the materiality of events associated with the Company. The Disclosure Committee may also, as a collective, consult the Chairman or Group CEO and Whole-time Director of the Company while assessing the materiality of an event or information and for evaluating whether the event/ information requires a Stock Exchange Disclosure.

#### **5. 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) (“**Para A Events**”) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing 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.

#### **6. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY:**

The Company shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality specified below.

#### **GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR 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 turnover, as per the last audited consolidated financial statements of the Company, or
- b. 2% (two per cent) 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); or
- c. 5% (five percent) of the average of absolute value of profit or loss after tax, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, 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.

**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; 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.

Notwithstanding anything stated above, the Board of Directors of the Company may prescribe any other criteria, from time to time, to determine materiality of events/information under this Policy. However, such criteria shall not dilute the requirements prescribed under the Listing Regulations.

**7. TIMELINE FOR THE DISCLOSURE:**

- a. All events/information identified as material in line with the regulation and under this Policy shall be disclosed to the Stock Exchanges(s) as soon as reasonably possible and in any case not later than the following:
  - 1) 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;
  - 2) For all material events/ information emanating from within the Company **within 12 (twelve) hours from the occurrence** of the event or information;
  - 3) For all material events/ information relating to the Company but not emanating from within the Company **within 24 (twenty four) hours from the occurrence** of the event or information.
- b. In case the disclosure is made after the timelines specified under this Policy, the Company shall, along with such disclosure provide the explanation for the delay.
- c. 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.
- d. Additionally, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this Policy, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.
- e. In case an event or information is required to be disclosed by the Company in terms of the provisions of the Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

## **8. POLICY REVIEW AND APPROVAL:**

The Key Managerial Personnel or the person authorised by the Board may review this Policy from time to time. Any material changes to this Policy shall require prior approval of the Board.

## **9. CONFLICT IN THE POLICY**

In case of any conflict or inconsistency between the terms of this Policy, the Listing Regulations or the Companies Act, the provisions of the Listing Regulations and Companies Act shall prevail.

## **10. AMENDMENTS**

Any subsequent amendment/ modification in the Companies Act, Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

## **11. DISCLOSURE:**

This Policy duly approved by the Board of Directors shall be disclosed on the website of the Company [www.rkswamy.com](http://www.rkswamy.com).

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