



**ROSSELL TECHSYS LIMITED**

**POLICY ON DETERMINING MATERIALITY OF EVENTS AND INFORMATION**

**(Effective from September 25, 2024)**

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## 1. PREFACE:

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Circular issued by Securities and Exchange Board of India vide Circular No.: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 on 13<sup>th</sup> July, 2023, the Board of Directors (the "Board") of Rossell Techsys Limited ("Company") has adopted this Policy at its meeting held on September 3, 2024 for determination of material events and information ("Material Information") to be disclosed to the Stock Exchanges and archival thereof under applicable SEBI regulations.

## 2. OBJECTIVE:

The objective of the Policy is to determine materiality of events or information relating to the Company and to ensure that such information is adequately disseminated in pursuance of the Regulations and to provide an overall governance framework for such determination of materiality. This policy lays down guiding principles for the management to identify events or information which need to be reported under this Policy and simultaneously ensure that such events and information are put in the public domain in time with adequate disclosures.

## 3. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS/INFORMATION:

The listed entity shall consider the following criteria for determination of materiality of events/information:

- 1) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- 2) 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;
- 3) The omission of an event or information, whose value, or the expected impact in terms of value, exceeds the lower of the following:
  - two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
  - 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;
  - 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;
- 4) In addition to the events/information referred to in regulations 3.1, 3.2 and 3.3 above, the Company shall also disclose any events or information which, in the opinion of the Board, is considered material.
- 5) The events/information that shall be disclosed without application of materiality guidelines listed in this Policy is attached as **Annexure I**.
- 6) Further, the events/information specified in Para B of Schedule III of Listing Regulations, based on the extent of applicability of such events to the Company, shall

be considered as events that shall be disclosed upon application of materiality guidelines. The list specifying such events is provided in Annexure II of this Policy.

- 7) The Company shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

#### **4. AUTHORITY TO DETERMINE MATERIALITY:**

- i. The Managing Director and/or Executive Director or the Chief Financial Officer or the Company Secretary and Compliance Officer of the Company in consultation with Managing Director and/or Executive Director or the Chief Financial Officer (hereinafter severally referred to as “Authorized Person”), shall be responsible to determine the materiality of an event/information for the purpose of the Policy and in terms of in terms of Listing Regulations and disclose the same to the Stock Exchanges.
- ii. The Authorized Person will also decide the appropriate period/stage at which disclosure is to be filed with the stock exchanges and details that may be filed.
- iii. The Authorized Persons will ascertain the materiality of such event or information based on the guidelines contained under this policy. On completion of the assessment, the Authorized Persons shall make appropriate disclosure(s) to the Stock Exchanges.
- iv. No media / public announcement/ publication shall be made by or on behalf of the Company of, or related to, a material event or information until after the same has been first approved by the Authorized Person.

#### **5. TIMELINES FOR DISCLOSURE:**

The listed entity shall first disclose to stock exchanges all events or information, as specified in Part A of Schedule III of the Listing Regulations, as soon as reasonably possible and as per the timelines prescribed under the Listing Regulations.

#### **6. HOSTING OF INFORMATION ON THE WEBSITE OF THE COMPANY:**

The listed entity shall disclose on its website all such events or information which has been disclosed to the stock exchange according to the Listing Regulations, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.

#### **7. AMENDMENTS:**

Any change(s) in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

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**Note: This policy has been approved by the Board of Directors of the Company at its meeting held on September 25, 2024 and shall be effective from September 25, 2024.**

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## ANNEXURE- I

### EVENTS/INFORMATION THAT SHALL BE DISCLOSED WITHOUT APPLICATION OF MATERIALITY GUIDELINES

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation - For 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 directly or indirectly, such that:
  - (a) the listed entity 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-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or
  - (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.

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. Revision in Ratings.

4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

- i. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatch;
- ii. any cancellation of dividend with reasons thereof;
- iii. the decision on buyback of securities;
- iv. the decision with respect to fund raising proposed to be undertaken
- v. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- vi. 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;
- vii. short particulars of any other alterations of capital, including calls;
- viii. financial results;
- ix. decision on voluntary delisting by the listed entity from stock exchange(s).

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 listed entity), 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.
6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with Bank.
11. Reference to BIFR and 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 listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.
16. 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.
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 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.

**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.

## **ANNEXURE- II**

### **EVENTS THAT SHALL BE DISCLOSED UPON APPLICATION OF MATERIALITY GUIDELINES**

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) (as a borrower) 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 listed entity.
9. Frauds or defaults by employees of the listed entity which has 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 for any third party.
12. Granting, withdrawal, surrender, cancellation, or suspension of key licenses regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.