



## **Policy for determining Materiality for Disclosures of Events/Information of Mahaan Foods Limited**

### **1. Preamble**

The policy is formulated in accordance with the Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) laid down by SEBI. The Board of Directors (the “**Board**”) of Mahaan Foods Limited (the “**Company**”) has adopted this Policy and procedures thereto with regard to Materiality of Events/Information to be disclosed to Stock Exchange(s) where Company’s securities are listed.

### **2. Objective**

The objective of this Policy is to lay 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. Disclosures of Events or Information**

The Listing Regulations have not only provided for the manner in which details of events / information relating to the affairs of a listed entity are required to be disclosed to the Stock Exchanges, but also the nature of events / information and the time within which it must be disclosed, detailed as under:

- i. Events / Information which, in the opinion of the Board of Directors of the company, are fit to be considered as material and therefore, shall be mandatorily disclosed by the company to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than twenty-four hours from the occurrence of such event / information i.e., without applying any test of materiality.
- ii. Events listed in Para A of Part A of Schedule III to the Listing Regulations (except sub-para 4), as set out in Annexure ‘A’ to this Policy, shall be mandatorily disclosed by the company to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than twenty- four hours from the occurrence of such event, i.e., without applying any test of materiality.
- iii. Events listed in sub-para 4 of Para A of Part A of Schedule III to the Listing Regulations, as set out in point 4 of Annexure ‘A’ to this Policy, are deemed to be material events and as such shall be mandatorily disclosed by the company to the Stock Exchanges within 30 minutes of the conclusion of the Board Meeting, held to consider such event.



- iv. Such other information as may be specified by SEBI or any other statutory / regulatory authority, from time to time.

In case there is a delay in disclosing the material event / information to the Stock Exchanges in terms of this Policy, the Company shall provide appropriate explanation for such delay.

**4. Events which are dependent on application of guidelines for materiality:**

Events listed in para B of Part A of Schedule III of the Listing Regulations shall be disclosed by the Company to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than twenty-four hours from the occurrence of such event, subject to application of the following criteria to determine, whether such event is material or not.

Guidelines for determining materiality of events or information:

Quantitative criteria would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact:

- a) exceeds ten per cent of the consolidated gross turnover, or
- b) exceeds ten per cent of the consolidated net worth; whichever is lower.

Qualitative criteria would mean an event/ information:

- (i) Where the omission of an event or information is likely to result in discontinuity or alteration of the event or information already available publicly; or
- (ii) Where 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
- (iii) Where the criteria specified in sub-clauses (i) and (ii) above are not applicable, an event / information may be treated as being material if in the opinion of Board of Directors of the Company the event / information is deemed fit to be considered as material, for onward disclosure to the Stock Exchanges.

iv. Where an event occurs or is available with the Company, which does not form part of Annexure 'A' or Annexure 'B' as above, but is likely to have a material impact on the Company, the Company shall endeavour to make adequate disclosures in this regard.

- vii. Such other information as may be specified by SEBI, from time to time.

In case there is a delay in disclosing the material event / information to the Stock Exchanges, in terms of this Policy, the Company shall provide appropriate explanation for such delay.



#### **5. Authority to determine materiality of any event / information**

The Managing Director and in his absence Company Secretary of the Company, has been authorized by the Board to determine whether or not an event / information could be considered as material for the purpose of disclosing it to the Stock Exchanges, under this Code and the Listing Regulations, as amended, from time to time.

The Managing Director & Company Secretary (Authorised Officials) shall severally be responsible and authorised for dissemination of such events or information in accordance with Regulation 30 and the Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information to the Stock Exchanges and dissemination on the Company website.

The materiality of events outlined above 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 said authorised officials of the Company are empowered to exercise reasonable judgement while assessing the materiality of events/information, associated with the Company.

#### **6. Other provisions relating to disclosures**

The Company shall, in respect of disclosures made of any event under the Listing Regulations, make disclosures of updates of material development on a regular basis to the Stock Exchanges, until such time as the event is resolved / closed, with relevant explanations.

In case of any amendments to the disclosures already made by the Company or those uploaded on its website, the Company shall disclose/ upload the amended disclosure, in accordance with this Policy and the Listing Regulations.

The Company shall provide specific and adequate reply to all queries that may be raised by the Stock Exchanges/ SEBI/Statutory/Regulatory Authorities, with respect to any material events/ information, provided that such clarification shall be intimated to the Stock Exchanges and shall be simultaneously uploaded on the website of the Company, as mandated under the Listing Regulations.

The Company may on its own initiative also, confirm or deny any reported event or information to the Stock Exchanges and disclosure shall be made, in accordance with this Policy and the Listing Regulations.

#### **7. Limitation and amendment**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.



**Annexure 'A'**

The following events / information listed in Para A of Part A of Schedule III to the Listing Regulations shall be mandatorily disclosed by the Company to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than twenty-four hours from the occurrence of such event, i.e. Without applying any test of materiality.

i 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 Company or any other restructuring.

Explanation: For the purpose of this sub-para, the word 'acquisition' shall mean-

1. acquiring control, whether directly or indirectly; or,  
2. acquiring or agreeing to acquire shares or voting rights in, a company, 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 2 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.

ii. 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.

iii. Revision in Rating(s).

iv. 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:

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 Exchanges.



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.

v. 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.

Agreements which are executed in the ordinary course of business shall be excluded for the purpose of disclosure to the Stock Exchanges.

vi. Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.

vii. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer as per SEBI Regulations.

viii. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.

ix. Resignation of independent director including reasons for resignation:

1) In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:

a) The letter of resignation along with detailed reasons for the resignation as given by the said director.

b) Names of listed entities in which the resigning director holds directorships indicating the category of directorship and membership of board committees, if any.

2) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.

3) The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the disclosures as specified in sub-clauses (a) and (b) of 1 above.

x. Appointment or discontinuation of share transfer agent.

xi. Resolution plan / Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:

*Amended and Effective 10 February, 2023*



- a) Decision to initiate resolution of loans/borrowings;
  - b) Signing of Inter-Creditors Agreement (ICA) by lenders;
  - c) Finalization of Resolution Plan;
  - d) Implementation of Resolution Plan;
  - e) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
- xii. One-time settlement with a bank.
- xiii. Reference to BIFR and winding-up petition filed by any party / creditors.
- xiv. 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.
- xv. Proceedings of Annual and extraordinary general meetings of the Company.
- xvi. Amendments to Memorandum and Articles of Association of the Company, in brief.
- xvii. a) Schedule of analysts or institutional investors meet and presentations made by the Company to analysts or institutional investors.  
Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.
- b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
- 1) the presentation and the audio/video recordings shall be promptly made available 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;
  - 2) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:
- The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.
- xviii. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
  - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;



- d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
  - e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - f) Appointment/ Replacement of the Resolution Professional;
  - g) Prior or post-facto intimation of the meetings of Committee of Creditors;
  - h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - i) Number of resolution plans received by Resolution Professional;
  - j) Filing of resolution plan with the Tribunal;
  - k) Approval of resolution plan by the Tribunal or rejection, if applicable;
  - l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
    - 1. Pre and Post net-worth of the company
    - 2. Details of assets of the company post CIRP;
    - 3. Details of securities continuing to be imposed on the companies' assets;
    - 4. Other material liabilities imposed on the company;
    - 5. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
    - 6. Details of funds infused in the company, creditors paid-off;
    - 7. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
    - 8. Impact on the investor – revised P/E, RONW ratios etc.;
    - 9. Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
    - 10. Brief description of business strategy.
  - m) Any other material information not involving commercial secrets.
  - n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
  - o) Quarterly disclosure of the status of achieving the MPS;
  - p) The details as to the delisting plans, if any approved in the resolution plan.
- xix. 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 listed entities:
- 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 listed entity along with comments of the management, if any.

In addition to the above-mentioned points, the following events / information shall be mandatorily disclosed by the Company to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than twenty-four hours from the occurrence of such event, i.e. without applying any test of materiality:

- Re-classification of any person as promoter / public:

- a) Receipt of request for re-classification by the Company from the promoter(s) seeking reclassification;

- b) Minutes of the Board Meeting considering such request which would include the views of the board on the request;

- c) Submission of application for re-classification of status as promoter / public by the Company to the Stock Exchanges;

- d) Decision of the Stock Exchanges on such application as communicated to the Company.

2. Disclosure of divergence in the asset classification and provisioning, in terms of SEBI Circular no. CIR/CFD/CMD1/120/2019 dated October 31, 2019.

3. Disclosures of defaults on payment of interest / repayment of principal amount on loans from banks / financial institutions and unlisted debt securities, in terms of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.





**Annexure 'B'**

The following events / information listed in Para B of Part A of Schedule III to the Listing Regulations shall be disclosed by the Company to the Stock Exchanges subject to application of the criteria as prescribed in point no. 3(iii) of this Policy to determine, whether such event is material or not.

- i. Commencement or any postponement in the date of commencement of commercial operations of any department/division/branch.
- ii. 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).
- iii. Capacity addition or product launch.
- iv. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- v. 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.
- vi. 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.
- vii. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.
- ix. Fraud / defaults etc. by Directors (other than Key Managerial Personnel) or employees of the Company.
- x. Options to purchase securities including any ESOP / ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety for any third party, other than in the ordinary course of business of the Company;
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- xiii. 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.