



## SEPC LIMITED

# POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS



**SEPC Limited**

**POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS**

**1. OBJECTIVE**

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

**2. EFFECTIVE DATE**

This Revised Policy is effective from August 10, 2023.

**3. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

Events / information shall be considered as Material if it meets any of the following criteria:

- 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) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - 1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
  - 2) 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;
  - 3) 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

- d) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company

#### **4. DISCLOSURES OF EVENTS OR INFORMATION**

**As per the Clause 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 (Listing Regulations 2015) and Schedule III, the events / information are broadly divided into two categories i.e**

- A. The events which shall be disclosed without any application of the guidelines for materiality as specified in Para A of Part A of Schedule III of the Listing Regulation
- B. The events which shall be disclosed upon application of the guidelines for materiality as specified in Para B, C & D of Part A of Schedule III

SEBI vide its Notification dated June 14, 2023 has prescribed the timelines for disclosure of material events/ information:

- 1) 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
- 2) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity
- 3) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy for reservation and Archival of Documents.

#### **5. AUTHORITY**

Mr.N K Suryanarayanan, Managing Director & CEO and Mr. R S Chandrasekharan, Chief Financial Officer and Mr. T Sriraman, Company Secretary of the Company shall severally have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

For determination of materiality shall assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel for determining the materiality of the said event or information and

for making the necessary disclosures to the stock exchange(s).]

## **6. 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.

## **7. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

## **8. DISSEMINATION OF POLICY**

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company.

