

ARCHIDPLY DECOR LTD.

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

I. BACKGROUND AND APPLICABILITY OF THE POLICY

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) requires every Listed Company to disclose events or information which, in the opinion of the Board of Directors (“Board”) of a Company are material.

In this context, the following policy has been framed by the Board of Directors (“Board”) of Archidply Decor Limited (“company”) with the objective of determining materiality of events.

1. It has been mandated by SEBI under Regulation 30 of the Regulations to disclose all deemed material events to the Stock Exchange/s. These events have been specified in Para A of Part A of Schedule III of the Regulations and this company will disclose those as applicable from time to time.

2. The following criteria shall be considered by the Board, for disclosure of certain events (as specified in Para B of Part A of Schedule III), to the Stock Exchanges for determining whether the events are material or not:- Where the omission of an event or information is likely to result in:

- a) discontinuity or alteration of event or information already available publicly or
- b) a significant market reaction if the said omission came to light at a later date.

Where it would be difficult to report the events based on qualitative criteria as stated in points a) and b) above, the same may be considered material for disclosure, upon meeting materiality thresholds as mentioned herein below.

This Policy shall also apply to the events to which neither Para A or Para B of Part A of Schedule III applies but have a material effect on the company.

II. MATERIALITY THRESHOLDS

Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/event.

The qualitative (as stated in points a and b above) and quantitative criteria shall apply to events specified in Para B of Part A of Schedule III of the SEBI Regulations only.

The following will be the materiality criteria:

Any of the events specified below would be considered material if the impact thereof exceeds 10% of either the Consolidated Net Income, or Consolidated Profit Before Tax, or Consolidated Net Worth:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Capacity Addition, or Product Launch.
3. 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 – either on whole, or on piecemeal basis.
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 pision of the Company due to natural calamity (earthquake, flood, fire, etc.), force majeure or events such as strikes, lockouts, etc.
7. Effect/s arising out of change/s in the regulatory framework applicable to this company.
8. Litigation(s) / dispute(s) / regulatory action(s) and granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals with the above-mentioned impact.

The above thresholds shall be determined on the basis of the last Audited Annual Consolidated Financial Statements of the Company.

The following events shall be considered material subject to the application of the guidelines as mentioned in the respective cases:

1. In case of Frauds/ defaults, etc. by directors, any key managerial personnel, or any employee/s of the Company involving financial impact of Rs. 25 Lacs, or more.
2. In case of Options to purchase securities, including any ESOP/ESPS Scheme amounting to 2% of post-issue equity share capital.

The above thresholds shall be determined on the basis of the last Audited Annual Consolidated Financial Statements of the Company.

Events that shall be deemed material and will be disclosed without any application of materiality:

1. Acquisitions, Amalgamations, Merger, Demerger, Restructuring.
2. Revision of Rating/s.
3. Change in Directors, Key Managerial Personnel and Compliance Officer.
4. Appointment or Discontinuation of Share Transfer Agent.
5. Financial Results, Declaration & Cancellation of Dividend, Any alteration of Share Capital.
6. Proceedings of Annual General Meeting and Extra-ordinary General Meeting of The Company.
7. Amendments to Memorandum of Association and Articles of Association.

The following Information / Events - viz. Major Developments shall be considered material if that is likely to affect business as interpreted by the Board:

1. Adopting any New Technology.
2. Expiry of Patents.
3. Giving Guarantees, or Indemnity, or becoming a Surety for any third party.
4. Any change in Accounting Policy that may have a significant impact on the Accounts and Financial Results of the company.
5. Any Market-sensitive Information.
6. Any sensitive business information of the company.

III. DISCLOSURE PROCESS

1. Unless otherwise decided by the Board, the Managing Director(MD)/ Joint Managing Director(JMD) of the company shall be determining the Materiality of an Event and Information and shall be authorized for the purpose of ascertaining the Materiality of an Event and Information. The Managing Director/ Joint managing Director and Company Secretary shall be severally responsible and authorized for making Disclosures to the Stock Exchange either the Materiality is ascertained by the Managing Director(MD)/ Joint managing Director(JMD) or by the Board.
2. Any event purported to be reportable under Regulation 30 of the Regulations shall be informed to the Company Secretary of the Company on an immediate basis with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price

sensitive nature, must also be informed, for further evaluation to the MD/JMD & Company Secretary.

3. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.

4. Statutory Timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.

5. All disclosures shall be available on the website of the Company for a period of 5 years.

6. The Determining Person – either MD/JMD, or the Board may seek expert advice where he feels so necessary as to whether an Event / information is Material / Market-sensitive, or not.

7. All decision of the Determining Person shall be recorded and preserved for a minimum period of 5 years subject to its conformity with this Policy for Preservation of Documents of the Company.

8. The MD/JMD/CS shall quarterly bring to the attention of the Board all information, events which in their opinion are material in nature and should be disclosed to the Stock Exchange.

IV. MODIFICATION OF THE POLICY

This Policy is framed based on the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any subsequent amendments to the Regulations which makes any of the provisions in the Policy inconsistent, the provisions of the Regulations shall prevail. The Audit Committee will review the Policy and on its recommendations, the same will be modified by the Board so as to align this Policy with the amendments or to incorporate the changes as the Audit Committee may feel as appropriate.