



POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS

**[Framed under Regulation 30 (4) (ii) of SEBI (Listing Obligations &
Disclosure Requirements) Regulations, 2015]**

(Framed on 01st April, 2023)

APPLICABILITY

SEBI vide Notification dated September 2, 2015 has notified Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. These regulations shall come into force w.e.f 1st December 2015, i.e. on the 90th Day from the date of their publication in the Official Gazette, [except Regulation 23 (4) and 31A which shall come into force with immediate effect]. Regulations 30 (4) (ii) and 30 (5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, provide that:-

30 (4) (ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

30 (5) The board of directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website. Therefore, to ensure compliance with the aforesaid Regulations, Board of Directors of Khazanchi Jewellers Ltd. [“the Company”] has framed the Policy for determination of materiality of events, which is below mentioned

DEFINITIONS

In this Policy, unless the context otherwise requires:-

“**Company**” means Khazanchi Jewellers Limited.

“**Regulations**” means Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Words and expressions used in this code but not defined shall have the meaning as given in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Any subsequent modification and/or amendments brought about by SEBI in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 shall automatically apply to this Policy.

DISCLOSURE OF EVENTS

The company shall make disclosure of any events or information to the stock exchanges on a timely basis as follows:

1. Events or information as stated in Para A of Part A of Schedule III of LODR shall be disclosed immediately in line with the Clause 4 mentioned herein below.
2. Events or information as stated in Para B of Part A of Schedule III shall be disclosed based on the application of materiality as referred in Clause 4 mentioned herein below.
3. Any other events or information 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, shall be disclosed by the company in line with the Clause 4 mentioned herein below.
4. Events or information which may have a material effect on the company and/or as specified by the Board of Directors which is recommended by Audit Committee of the Company from time to time and/or such other events or information prescribed by the SEBI or any other authority for disclosure, from time to time shall be disclosed by the company.

CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION RELATING TO THE COMPANY

QUALITATIVE CRITERIA

The Board of Directors shall consider the following criteria for determining the materiality of events/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;
- c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company, the event/information is considered material.

QUANTITATIVE CRITERIA:

Where the value of contract / order / the impact of the event exceeds
5% of the gross turnover; or 20% of the net worth.

The above threshold should be determined on the basis of audited consolidated financial statements of the previous financial year

FOLLOWING EVENTS MAY BE CONSIDERED MATERIAL BY THE BOARD OF DIRECTORS ON THE BASIS CRITERIA SPECIFIED

The Company shall intimate the following events /information upon occurrences in consideration with the criteria for determining materiality of events:

- 1) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/divisions.
- 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 a unit/division (entirely or piecemeal)

- 3) Capacity addition or product launch
- 4) Awarding, bagging/receiving, amendment or termination awarded /bagged orders/contracts not in normal course
- 5) Agreements (viz; loan agreement(s) (as a borrower) or any other agreement(s) 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) Litigation(s)/dispute(s)/regulatory action(s) with impact
- 9) Fraud /defaults etc. by directors(other than key managerial personnel) or employees of 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 or regulatory approvals.

The Board of the Directors of the Company may consider any other event/information that is likely to affect the business of the Company and is a major development in the organization and provide brief details to the Exchange and further it may also disclose any other information which is exclusively known to the Company which may enable the stakeholders to appraise its position and to avoid establishment of a false market.

Therefore, the Board of Directors of the Company authorize the Chief Financial Officer and / or the Company Secretary of the Company in consultation with the Managing Director of the Company, for the purpose of determining materiality of an event or information based on the guidelines of this policy and for the purpose of making disclosures to BSE Ltd., under Regulation 30 (5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The contact details shall also be disclosed to the stock exchange(s) and the Company's website

MATERIAL EVENTS (AS PER PARA A OF PART A OF SCHEDULE III of LODR)

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 the purpose of 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-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

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 Rating(s).

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:

- 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 Policy for determination of materiality of events 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 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 a 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

The events specified in Para B of Part A of Schedule III of the Regulations shall be disclosed upon application of guidelines for materiality as specified in Regulation 30 (4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Such events are mentioned below:

EVENTS (AS PER PARA B OF PART A OF SCHEDULE III of LODR)

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 tieup, 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. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of 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 or regulatory approvals.

EVENTS (AS PER PARA C OF PART A OF SCHEDULE III of LODR)

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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

EVENTS (AS PER PARA - D OF PART - A OF SCHEDULE III)

Any other event/ information as specified by the Board from time to time. The Company shall disclose to stock exchange all events, as specified in Part A of Schedule III or information as soon as reasonably possible and not later than 24 hours from the occurrence of event or information.

POLICY REVIEW & DISCLOSURE

This Policy is framed based on the requirements of SEBI (Listing Obligations & disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the Regulations which make any of the provisions in the Policy inconsistent with the Regulations, the provisions of the regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Board of Directors as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Board. Any changes or modification in the Policy would be approved by the Board of Directors and the decision of the Board in this respect shall be final and binding.

This Policy has been approved by the Board of Directors of the Company and shall be disclosed on the website of the Company.

TIME LIMIT FOR DISCLOSURE

The Company shall make disclosure to Stock Exchange(s) of all events as soon as reasonably possible but not later than twenty four hours from the occurrence of event or information and/or on becoming aware of it.

Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the company shall along with such disclosures provide explanation for delay.

Provided further that disclosure with respect to events specified in Point 4 of Material Events (Para A of Part A of Sch. III of LODR), shall be made within thirty minutes of the conclusion of the board meeting.

AMENDMENT

Any change 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.