

KOVALAM INVESTMENT AND TRADING COMPANY LTD

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Policy FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

1. PREAMBLE

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 requires every listed company to formulate a policy for determining 'materiality' of events/ information.

KOVALAM INVESTMENT AND TRADING COMPANY LTD (hereinafter referred as "the Company" or "KITCL") is committed to work in a transparent manner and to disseminate information with all stakeholders in a fair and timely manner. The Board of Directors of KITCL adopted a Policy for Determination of Materiality of Events or Information' under 'Regulation 30' of Listing Regulations.

2. OBJECTIVES

The objective of this Policy is to provide guidelines to the management of NIEL, to determine the materiality of events or information which could affect investment decisions of the investor community and ensure timely and adequate dissemination of information to the Stock Exchange(s) as and when they take place in the Company.

3. DEFINITIONS

- i. "Act" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- ii. "Board" means the Board of Directors of the Company.
- iii. "Stock Exchanges" means the stock exchanges where the securities of the Company are listed i.e. BSE Ltd. (BSE)
- iv. "Material Events" means the individual transaction or arrangement which, in the opinion of the Determined Authority (Key Managerial Personnel (KMP) authorized by the Board) is significant to the operations or performance of the Company as well as any price sensitive information.
- v. "Price-sensitive information" means any information which relates, directly or indirectly, to a company that is not generally available and which upon becoming generally available is likely to materially affect the price of securities of the Company.

4. AUTHORIZATION TO DECIDE MATERIALITY

In terms of provisions of regulation 30 (5) of the Listing Regulations, the following KMPs/Director are authorized to determine materiality of an event or information and make disclosures to Stock Exchanges of material event or information

5. DISCLOSURE OF EVENTS OR INFORMATION

I EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company will immediately inform the Exchange(s) of all the events which will have bearing on the performance/operations of the Company, as well as any price sensitive information. The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations. List of such events is attached hereto as Annexure A.

II EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY

The Company shall disclose all such material events specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality 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 higher.

III ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY

The Company shall disclose major developments that are 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.

6. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION

The occurrence of material event/information can be said to have occurred

- (a) depending upon the stage of discussion, negotiation or approval; and
- (b) in other case where there is no such discussion, negotiation or approval required i.e. in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under (a), the events/information can be said to have occurred upon receipt of approval of Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and shareholders. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending shareholder's approval.

In respect of the events under (b), the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the

Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'Officer' shall have the same meaning as defined under the Act.

7. DISCLOSURE AND REVIEW OF POLICY

The Company shall disclose this Policy on its website. The Board reserves the right to amend any provision of the policy from time to time with in the ambit of law.

8. AMENDMENT IN LAW

Any subsequent amendment/ modification in the Listing Regulations and/ or other applicable laws in this regard shall be applicable to this Policy.

ANNEXURE A

**EVENTS WHICH SHALL BE DISCLOSED
WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY**

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:
 - (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/dispatched;
 - (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 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;

ANNEXURE B

**EVENTS WHICH SHALL BE DISCLOSED
UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY**

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. 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.
13. 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. Last amended date is 25.02.2019