



EMS LIMITED

CIN: L45205DL2010PLC211609

Regd. Office: 701, DLF TOWER A, JASOLA, New Delhi, Delhi, India-110025

Phone: 0120 4235555, 4235559

POLICY FOR DETERMINATION OF MATERIALITY

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SCOPE AND PURPOSE:

Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) requires the Company to formulate a policy to determine the material events for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange(s).

OBJECTIVE:

The objective of this policy is to determine the materiality of any event or information to make disclosure of such events or information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations.

DEFINITIONS:

“**Board of Directors**” or “**Board**” means the Board of Directors of EMS Limited, as constituted from time to time.

“**Company**” means EMS Limited.

“**Material Events**” or “**Material Information**” means any event / information which relates to the Company and which, if published is likely to materially affect the price of shares of the Company.

“**Policy**” means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

“**Listing Regulations**” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“**Schedule**” means Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is listed in Annexure – I of this Policy and which forms part of the Policy.

“**Key Managerial Personnel**” means Key Managerial Personnel or KMP as defined in sub-section (51) of section 2 of the Companies Act, 2013.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 and Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

In terms of Regulation 30 of the Listing Regulations, every Company shall make disclosures of any events or information which, in the opinion of the board of directors of the Company, is material. The events/information that are required to be disclosed by the Company may be divided in the following categories:

1. Events to be disclosed without application of the guidelines for determining materiality, as specified in Para A of Part A Schedule III of the Listing Regulations. The same have been enclosed as **Annexure-I**.
2. Tentative list of events to be disclosed upon application of the guidelines for determining materiality, as specified in Para B of Part A of Schedule III of the Listing Regulations. The same have been enclosed as **Annexure-II**.
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, market sensitive information 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.
4. Without prejudice to the generality of the clause a, b & c above, events/information specified by the SEBI from time to time.

The Company shall consider the following criteria for determination of 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.
- 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:
 - i. 2% (two percent) of turnover, as per the last audited financial statements of the Company;
 - ii. 2% (two percent) of net worth, as per the last audited financial statements of the Company, except in case the arithmetic value of the net worth is negative;
 - iii. 5% (five percent) of the average of absolute value of profit or loss after tax, as per the last three audited financial statements of the Company.
- d. In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the

opinion of the board of directors of the Company, the event or information is considered material.

TIMELINE FOR DISCLOSURE:

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of this policy and Listing Regulations as soon as reasonably possible and in any case not later than the following:

- a. 30 (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;
- b. 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c. 24 (twenty) four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

All other events mentioned under sub clause (a), (b) and (c) above, other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.

Disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations (para 4 of Annexure – I) shall be made within the timelines specified therein.

In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.

AUTHORISATION FOR DISCLOSURES:

The Board of Directors of the Company shall authorize from time-to-time, one or more Key Managerial Personnel (KMP) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchanges under this Policy and the contact details of such personnel shall also be disclosed to the Stock Exchanges and on the Company's website.

DISCLOSURE ON WEBSITE OF THE COMPANY:

This Policy shall be disclosed on the website of the Company.

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.

SCOPE AND LIMITATION:

In the event of any conflict between the provisions of this Policy and the Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations or statutory enactments or rules shall prevail over this Policy. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, such amendment(s), clarification(s), circular(s) etc. shall prevail upon the relevant provisions of this Policy and the Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s) etc.

AMENDMENTS AND UPDATES:

The Board of Directors are authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the Listing Regulations and any amendment thereto from time to time.

Events which shall be disclosed without any application of the guidelines for materiality (deemed to be material) as specified in Para A of Part A of Schedule III of Listing Regulations

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring.
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. New Rating(s) or Revision in Rating(s).
4. Outcome of meetings of the board of directors: The Company shall intimate 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 exchange(s).

The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.

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 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).
- 5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company,

shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

Provided that such agreements entered into by a Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of these regulations.

6. Fraud/ Defaults by a Company, its promoter, its director, key managerial personnel, Senior Management or subsidiary or arrest of key managerial personnel, senior management, promoter or director whether occurred within India or abroad.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.
 - 7A. 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 entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
 - 7B. Resignation of Independent Director including reasons for resignation: 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 entities:
 - i. The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - (ia) Names of Company entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - iii. 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 subclause (i) and (ii) above.
 - 7C. In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the Company within seven days from the date that such resignation comes into effect.
 - 7D. In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfill the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
8. Appointment or discontinuation of share transfer agent.

9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
 - i. Decision to initiate resolution of loans/borrowings;
 - ii. Signing of Inter-Creditors Agreement (ICA) by lenders;
 - iii. Finalization of Resolution Plan;
 - iv. Implementation of Resolution Plan;
 - v. Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
10. One time settlement with a Bank.
11. 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 Company.
13. Proceedings of Annual and Extraordinary General Meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. A) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the Company to analysts or institutional investors.

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:
 - (i) 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;
 - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.
16. The following events in relation to the corporate insolvency resolution process (CIRP) of a Company 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:
 - i. Pre and Post net-worth of the company;
 - ii. Details of assets of the company post CIRP;
 - iii. Details of securities continuing to be imposed on the companies' assets;
 - iv. Other material liabilities imposed on the company;
 - v. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - vi. Details of funds infused in the company, creditors paid-off;
 - vii. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - viii. Impact on the investor – revised P/E, RONW ratios etc.;
 - ix. Names of the new promoters, key managerial personnel, 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;
 - x. 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.
17. In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by Company:
- a. The fact of initiation of forensic audit along-with name of 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 Company along with comments of the management.
18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material for the company in terms of Regulation 30 and is not already made available in the public domain by the Company.
19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial

personnel, senior management, promoter or subsidiary, in relation to the Company , in respect of the following:

- a. search or seizure;
- b. re-opening of accounts under section 130 of the Companies Act, 2013;
- c. investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the Company , quantifiable in monetary terms to the extent possible.

20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company , in respect of the following:

- a. suspension;
- b. imposition of fine or penalty;
- c. settlement of proceedings;
- d. debarment;
- e. disqualification;
- f. closure of operations;
- g. sanctions imposed;
- h. warning or caution;
- i. any other similar action(s) by whatever name called; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the Company , quantifiable in monetary terms to the extent possible.

21. Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013.

Event which shall be disclosed upon application for materiality in terms of Para B of Part A of Schedule III of Listing Regulations

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the Company;
 - (a) Arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) Adoption of new line(s) of business; or
 - (c) 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) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6. 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.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Pendency of any Litigation(s) / dispute(s) or the outcome which may have an impact on the Company.
9. Frauds/ defaults by employees of the Company which has or may have an impact on the Company.
10. Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme) at the time of instituting the scheme and vesting or exercise of options.
11. Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.