

POLICY ON DETERMINATION OF MATERIALITY OF EVENT/ INFORMATION

(Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. INTRODUCTION

- (1) **Graphisads Limited** (hereinafter referred to as "**the Company**") believes in promoting a transparent, ethical and professional work environment. This Policy aims at disseminating all material events or information in a fair and timely manner to enable the investors to take informed decisions. Accordingly, this Policy on Determination of Materiality has been approved and adopted by the Board of Directors of the Company at its meeting held on **01-08-2023**.
- (2) Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), mandates disclosure of any events or information which, in the opinion of the Board, is material. It also requires the Company to frame a policy for determination of materiality of events or information for disclosure (the "**Policy**").
- (3) The purpose of this Policy is to determine materiality of events and information based on criteria specified under Clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure of events/information specified in para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchanges and to provide guidance to Company and its Officers to make disclosures that are appropriate and would be consistent with the acts of each event.
- (4) This Policy shall be effective from the date of approval of the Policy by the Board of Directors of the Company ("**Board**"). The Policy shall be without prejudice to any disclosure requirements prescribed under the Companies Act, 2013 and the rules thereunder, and any disclosure requirements which may be prescribed by the Securities and Exchange Board of India and/ or such other relevant authority with respect to listed companies.
- (5) **Objectives of the Policy**
The objectives of this Policy are as follows:
 - (i) To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various securities laws and any other legislations.
 - (ii) To ensure that the information disclosed by the Company is timely and transparent.
 - (iii) To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
 - (iv) To protect the confidentiality of material/ price sensitive information within the context of the Company's disclosure obligations.



- (v) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- (vi) To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

2. DEFINITIONS

- (1) "**Act**" means the Companies Act, 2013, rules framed thereunder and any amendments thereto.
- (2) "**Board**" means the Board of Directors of the Company, as constituted from time to time. "**Key Managerial Personnel**" shall have the same meaning as defined in sub-section (51) of Section 2 of the Act.
- (3) "**Officer**" shall have the same meaning as defined under the Act.
- (4) "**Stock Exchange**" means a recognized stock exchanges where the Securities of the Company are listed/proposed to be listed.
- (5) "**Securities**" means the Securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulations) Act, 1956.
- (6) "**Subsidiary**" means a subsidiary as defined under Sub-section 87 of Section 2 of the Act.
- (7) All other words and expressions used but not defined in this Policy but defined in the SEBI Act, 1992, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/ or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. APPLICABILITY OF THE POLICY

This Policy shall be applicable to all the events in the Company, as and when they fall under the criteria enumerated in the Policy.

4. REPORTING OF EVENTS TO STOCK EXCHANGES

The Policy categorizes the events / information to be disclosed to the Stock Exchange(s) as described below:

(1) *The Events which are deemed to be material*

The events specified in **Para A of Part A of Schedule-III** to the of Listing Regulations are deemed to be relevant irrespective of their impact. These events shall be disclosed to the Stock Exchanges within 24 hours of the occurrence or within such shorter time as may be specified in respect of that event in said Schedule III.

The disclosure of these events is mandatory without applying the test of materiality.

(2) *The Events which are material*

These events are specified in **Para B of Part A of Schedule-III** to the of Listing Regulations.

These events shall be disclosed and reported to the Stock Exchanges only when they are considered as Material in accordance with the criteria for determining the materiality of events/information as prescribed below:

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information that was made publicly available by the Company;
or



- (b) the omission of an event or information, which is likely to result in a significant market reaction if the said omission came to light at a later date; or
- (c) in the case where the criteria specified in sub-clauses (1) and (2) are not applicable, an event/information may be treated as being material if in the opinion of the Board the event / information is considered material.

5. DISCLOSURES OF EVENTS OR INFORMATION

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the following is an internal system for reporting any event/ information which may require disclosure so that the event/ information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges:

- (1) Unless otherwise decided by the Board, any Key Managerial Personnel or Executive Directors of the Company ("**Authorised Person**"), acting severally shall be authorized for the purpose of determining materiality of an event or information and making disclosures to the stock exchange. The decision taken by any Authorised Person shall be valid and binding on the Company.
- (2) The Directors/Functional Heads (**the reporting person**) must inform Chairman & Managing Director or Chief Financial Officer or the Company Secretary of any event/ information which are material or may possibly be material of which he/she is unsure as to its materiality with adequate supporting data/information to facilitate a prompt and appropriate disclosure.
- (3) The event/ information should be reported immediately after **the reporting person** becomes aware of it 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.
- (4) On receipt of communication of material/ potential material event/ information, Chairman & Managing Director (**CMD**) along with the Company Secretary (**CS**) and Chief Financial Officer (**CFO**) will take a view on the materiality of an event which may qualify for disclosure and resolve any computation and interpretation issues whilst making the materiality assessment as follows:
 - (i) Review event/ information and to take whatever steps necessary to verify its accuracy;
 - (ii) Apply the quantitative criteria whereby materiality shall become applicable to an event/ information where the value involved or the impact exceeds 20% of the annual consolidated turnover or 40% net profit; or exceeds 30% of the net worth on the basis of the latest audited financial statements of the Company and any major expansion of business plans or execution of new projects of Rs. 50.00 crore (Rupees Fifty crores only) and above subject to necessary approvals if required, as applicable.
 - (iii) Assess whether the event/ information is required to be disclosed to the Stock Exchanges under the Listing Regulations/ in terms of "Clause 5- Criteria for determination of materiality of events/ information" of this Policy.
 - (iv) Review updating material developments on a regular basis, till such time the event is resolved/ closed.
 - (v) Review all events or information with respect to subsidiaries which are material for the listed entity.
 - (vi) Review specific and adequate reply to queries raised by stock exchange(s) with respect to any events or information.
 - (vii) Apply the Guidance on when an event/ information has occurred.

- (viii) Refer matter for external legal advice where they are not certain about materiality of event/ information.
- (5) The CMD or any other KMP, designated by CMD for the purpose (**the Designated Head**) will review and finalise the details to be disclosed.
- (6) The CMD or the Designated Head shall determine the appropriate time at which the disclosures are to be made to the stock exchanges, based on an assessment of actual time of occurrence of an event to be reported.
- (7) The Designated Head shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- (8) The Designated Head will consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- (9) The procedure to be followed in relation to the disclosure/ announcement of material event/ information is as follows:
- (i) **Prepare draft announcement to the Stock Exchanges:**
If the event/ information is material, the Designated Head in consultation with concerned functional head will prepare draft announcement to the Stock Exchanges which is factual and expressed in clear manner and obtain approval of CMD and submit the announcement to the Company Secretary.
- (ii) **Make Announcements:**
The Compliance Officer on behalf of the Company will make or arrange for making the announcement with the Stock Exchanges as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of event or information in accordance with the requirements of the Listing regulations.
Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.
- (iii) **Post announcement on website:**
After making the announcement with the Stock Exchanges, the Company Secretary will arrange to place it on the website of the Company. Such disclosures shall be hosted on the website of the listed entity for a minimum period of five (5) years and thereafter as per the archival policy of the listed entity.

6. GENERAL CLAUSES

(1) Contact Details Of The Authorized Persons

The contact details of all the Authorised Person shall be disclosed to the stock exchange and also be placed on the Company's website. Pursuant to Regulation 30(5) of Listing Regulations, the Board has authorized the following persons jointly for the purpose of determining materiality of an event or information and severally for the purpose of making disclosure to the Stock Exchange(s):



S.No.	Designation	E-Mail Id
01	Chairman & Managing Director	cmd@graphisads.com
02	Chief Finance Officer	cfo@graphisads.com
03	Company Secretary & Compliance Officer	cs@graphisads.com

(2) Disclosures in respect of Subsidiaries

The Company shall also disclose all events or information with respect to subsidiaries which are material for the Company.

- (3) The Company shall use the electronic facilities provided by the stock exchanges for dissemination in the first instance. Information may subsequently also be disclosed via other media, including the press, website and direct email.
- (4) Statutory timeframes for disclosure shall be categorically adhered to. Delay, if any, should be sufficiently explained along with the disclosure
- (5) In case where an event occurs or an information is available with the listed entity, which has not been indicated above (as per Para A or B of Part A of Schedule III of the Listing Regulations), but which may have material effect on it, the Company is required to make adequate disclosures in regard thereof.
- (6) 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 Company to appraise its position and to avoid the establishment of a false market in such securities.
- (7) Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

(8) Authority to make alteration

The Board of Directors of the Company is 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/or any other laws in this regard. This Policy shall be reviewed by the Board of Directors as and when required and updated accordingly.

(9) Limitation and Amendments

In the event of any conflict between the provisions of this Policy and the Act or Regulations or any other statutory enactments or rules, the provisions of such Act or 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 shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circulars(s) etc.

(10) Communication of the Policy

A copy of this Policy shall be circulated to the Board, Senior Management Personnel / Heads of Subsidiaries. All Senior Management Personnel are responsible to report

material events or information or possible material events or information in the area of their operation to the concerned functional directors. This Policy shall also be posted on the website of the Company.

- (11) Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Company Secretary and Compliance Officer, who is in charge of administering, enforcing and updating this Policy.

For GRAPHISADS LIMITED



Company Secretary

Shobharam Dhama
Company Secretary
M.No. A23402

For GRAPHISADS LIMITED



Director

Alok Gupta
Director
DIN: 01456388

Attached: **Annexure A & B**

Annexure-A

DISCLOSURE OF EVENTS AS SPECIFIED IN PARA A OF PART A OF SCHEDULE III OF THE LISTING REGULATIONS - DEEMED TO BE MATERIAL EVENTS

- (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 Company 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, the Company, whether directly or indirectly, such that –
 - (a) The Company holds shares or voting rights aggregating to **five per cent or more** of the shares or voting rights in the 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 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:
The Company 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 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).


Provided that in case of Board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

- (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), which are binding and not in normal course of business, revision(s) or amendment(s) and termination thereof.
- (6) Fraud/defaults by Key Managerial Personnel or by the Company or arrest of Key Managerial Personnel.
- (7) Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary etc.), Auditor and Compliance Officer.
- A. In case of resignation of the auditor, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges **within 24 hours** of receipt of such reasons from the auditor.
- B. 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:
- (i) Letter of resignation of Independent Director along with detailed reasons for the resignation as given by the said director and the names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of Board committees, if any, shall be disclosed by the Company to the stock exchanges
 - (ii) The independent director shall, along with the detailed reasons, also provide a confirmation that there are 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 detailed reasons as specified in sub-clause (i) and (ii) above.”
- (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) Reference to Insolvency and Bankruptcy Code 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 Company.



- (13) Proceedings of Annual and Extraordinary General Meetings of the Company.
- (14) Amendments to memorandum and articles of association of the Company, in brief.
- (15) The Following:
- (a) Schedule of analysts or institutional investors meet and presentations made by the Company to analysts or institutional investors.
Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.
 - (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 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 persons(s), if any, and their past experience in the business or employment. In a case where promoters are companies, the 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) Initiation of Forensic audit:
In case of initiation of a forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:
- (a) The fact of initiation of forensic audit along-with name of entity 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 listed entity along with comments of the management, if any.



Annexure-B

DISCLOSURE OF EVENTS AS SPECIFIED IN PARA B OF PART A OF SCHEDULE III OF THE REGULATIONS

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 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. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by Directors (other than Key Managerial Personnel) or employees of Company.
10. Options to purchase Securities including any Employee Stock Option Scheme / Employee Stock Purchase 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.

