

(Review, Revised and Approved by Board of Directors on 29th May, 2024)

(Effective date of issue 01.12.2015)

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

I. BACKGROUND:

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), PBM Polytex Limited ("the Company") is required to frame a policy for determination of materiality of events or information ("Policy") with regard to disclosure of material Events and Information specified in Para B of Part A of Schedule III of the Listing Regulations, 2015, based on the criteria specified in Regulation 30 of the Listing Regulations and the same is also required to be disclosed on the Company's website.

II. SCOPE:

The Policy has been prepared in accordance with the applicable provisions of Listing Regulations

This Policy describes, inter alia, the illustrative list of events or information which are considered to be material as per the Regulations and/ or in the opinion of Board. The Board vide this Policy has attempted to prescribe guidance for deciding the magnitude of the materiality of events and information.

This policy shall be put on the website of the company.

III. DEFINITIONS & INTERPRETATIONS:

In this Policy, unless the context otherwise requires:

- (a) "Board of Directors" or "Board" shall mean the Board of Directors of PBM Polytex Limited and shall include any Committee thereof authorised for the purpose.
- (b) "Company" shall mean PBM Polytex Limited.
- (c) "Committee" means any Committee formed under the delegated authority of the Board.
- (d) "Key Managerial Personnel", means Key Managerial Personnel as defined in sub-section (51) of Section 23 of the Companies Act, 2013.
- (e) "Net worth" means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.
- (f) "Stock Exchange" means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 on which Equity shares of the Company are listed.
- (g) "Turnover" means turnover as defined in sub-section (91) of the Section 2 of the Companies Act, 2013

Words and expressions used and not defined in the policy shall have the same meaning respectively assigned to them in the Listing Regulations and/or Companies Act, 2013.

IV. DISCLOSURES OF EVENTS OR INFORMATION:

This policy sets forth the guidelines for disclosure of material events or information.

1. Category A – Events or information

Category A refers to such events or information which are deemed to be material events or information without application of materiality test. The indicative list of such events or information is given as an Annexure I.

2. Category B - Events or information

Category B refers to such events or information which are proved to be material on the application of materiality test. For determining materiality of events, the following criteria shall be applied:

- (i) omission of which is likely to result in significant market reaction if the said omission came to light at a later date, or
- (ii) omission of which is likely to result in discontinuity or alteration of event or information already available publicly, or
- (iii) which are in the opinion of Board of Directors or any Committee thereof or any other person authorised for the purpose considered to be material.

The indicative list of such event or information is given as an Annexure II

V. PRINCIPLES FOR DETERMINING MATERIALITY OF EVENTS:

Determination of Materiality: (Materiality test)

- a) Materiality will be determined on a case to case basis depending on nature of the events, specific facts, magnitude of likely impact in case such event is omitted to be disclosed and the circumstances relating to the information or event. To determine whether a particular event or information is material in nature, the company may either consider the qualitative criteria as defined under clause IV (2), or
- b) Quantitative criteria defined under clause VI, for each event listed under Annexure II

VI. MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION:

Keeping in view the principle for determination of materiality of events or information as mentioned in Clause V (b) above, materiality threshold has been defined as follows for events / information specified in Annexure II

The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following, shall be considered material:

- i. 2% (two) percent of turnover, as per the last audited consolidated financial statements of the Company;
- ii. 2% (two) percent of net worth, as per the last audited consolidated 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

consolidated financial statements of the Company.

VII. GENERAL OBLIGATION FOR DISCLOSURES:

1. Any one of Chairman or Managing Director or Chief Financial Officer of the Company, is severally authorized to take a view on whether the event or information falls within the materiality threshold as mentioned under Clause VI of this policy, which qualifies for disclosure under Regulation 30(5) of the Listing Regulations and intimate to the Company Secretary to disclose the said event or information to the Stock Exchanges. The contact details of Managing Director and Chief Financial Officer shall also be disclosed to the Stock Exchange(s) as well as on the website of the Company.

2. The Company shall disclose all material events / information first to Stock Exchange(s) as soon as reasonably possible and in any case not later than the following:

(i) thirty minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information has been taken;

(ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

(iii) twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

3. The information disclosed to the Stock Exchange(s) shall be also placed on the website of the Company and the Company shall ensure that such information is hosted for a minimum period of 5 years. Thereafter the information may be handled as per the archival policy of the Company as disclosed on its website.

4. The Company shall disclose all events or information which are material for the Company with respect to its material subsidiaries in accordance with this policy.

5. The Company shall provide specific and adequate reply to all queries raised by stock exchange with respect to any events or information.

6. The Company shall also on its own initiative, confirm or deny any reported event or information to the stock exchange(s).

7. The material events or information which are not contained in the Policy but are considered to be material in the opinion of the Company shall also be disclosed to the Stock Exchange. Annexure I & II are to be read in conjunction with the Listing Regulations and any proposed changes in the Listing Regulations in the said regard shall apply mutatis mutandis to the Annexures forming part of this policy.

VIII. AMENDMENT:

1. The Board or Committees so authorised for the purpose shall have the powers to review or amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

2. The Board or Committees so authorised for the purpose may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

IX. CONTACT DETAILS OF KEY MANAGERIAL PERSONNEL

Pursuant to Regulation 30(5), the contact details of the Key Managerial Personnel authorised for the purpose of determining the materiality of event or information are as under:

1. Shri Mohan Kumar Patodia
Email Id- pbm@patodiagroup.com
Contact No-0265-2333587

2. Shri Gopal Patodia
Email Id- pbm@patodiagroup.com
Contact No-0265-2333587

ANNEXURE I

Indicative List of events or information deemed to be material without application of Materiality test:

Sr. No.	Events or Information
1.	Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in the associate company of the listed entity 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 Ratings(s) or Revision in Rating(s).
4.	Outcome of Meetings of the board of directors
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.
5A.	Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity 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 listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements: Provided that such agreements entered into by a listed entity 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 listed entity or they are required to be disclosed in terms of any other provisions of these regulations.
6.	Fraud or defaults by a listed entity, its promoter, 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 listed entity, detailed reasons for resignation of auditor, as given by the said auditor.

7B.	Resignation of independent director including reasons for resignation.
7C.	Letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director.
7D.	In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil 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.
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 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.	(a) Schedule of analysts or institutional investors meet and presentations made by the listed entity 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.
16.	Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.
17.	Initiation of Forensic audit: In case of initiation of 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.
18.	Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.
19.	Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following: (a) search or seizure; or (b) re-opening of accounts under section 130 of the Companies Act, 2013; or (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;
20.	Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following: (a) suspension;

	<ul style="list-style-type: none"> (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; or (i) any other similar action(s) by whatever name called;
21.	Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.

ANNEXURE II**Indicative list of events or information on which the Company may apply materiality test:**

Sr. No.	Events or Information
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 listed entity: (i) arrangements for strategic, technical, manufacturing, or marketing tie-up; or (ii) adoption of new line(s) of business; or (iii) closure of operation of any unit, division, or subsidiary (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) 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.	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
9.	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
10.	Options to purchase securities including any ESOP/ESPS Scheme.
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.
14.	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.