



POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

BACKGROUND AND APPLICABILITY OF THE POLICY

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) requires every Listed Company to formulate a policy to determine events or information which are material.

Considering the aforesaid requirements, the Company has formulated this Policy for determining materiality of an event or information (“**the Policy**”) for the purpose of disclosures to be made by the Company to the stock exchanges.

1. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

Company shall consider the following criteria for determination of materiality of an event/information:

- i. Regulation 30 of the Regulations mandates disclosure of all *deemed* material events to the Stock Exchanges. These events have been specified in Para A of Part A of Schedule III of the Regulations shall be disclosed.
- ii. For disclosure of certain events as specified in Para B of Part A of Schedule III, the following criteria shall be considered by the Board for determining whether the events are material or not:
 - 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; or
 - 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. two percent of turnover, as per the last audited consolidated financial statements;
 - ii. two percent of net worth, as per the last audited consolidated financial statements, except in case the arithmetic value of the net worth is negative;

- iii. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements.
- 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.

Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/ event.

2. DISCLOSURE PROCESS

- i) Any event purported to be reportable shall be informed to the Chairman or Managing Director or Chief Financial Officer or Company Secretary of the Company at investorrelations@muktaarts.com on an immediate basis with adequate supporting data/ information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation.
- ii) The Chairman, Managing Director and the Company Secretary shall severally be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this Policy.
- iii) After evaluation of materiality of event, any one of the above-mentioned persons shall make disclosure to the Stock Exchanges.
- iv) The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
- v) Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
- vi) Regular updates, where relevant, shall be made with relevant explanations.
- vii) The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) 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.
- viii) The Company shall disclose all events or information with respect to subsidiaries which are material.
- ix) The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

- x) The Company may on its own also, confirm or deny any reported event or information to the stock exchange(s).
- xi) The Company shall disclose to the stock exchange(s) all events or information which are material in terms of the provisions of the Regulation as soon as reasonably possible and in any case not later than the following:
 - a. 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. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
 - c. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.

- xii) In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the Company is required to make adequate disclosures.
- xiii) In case an event or information is required to be disclosed by the Company in terms of the provisions of this Regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.
- xiv) The Company shall disclose certain types of agreements binding the Company as per Regulation 30(A) of Listing Regulations.

3. MODIFICATION OF THE POLICY

Any change in the Policy necessitated due to subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law shall be incorporated to give effect to such changes without any further act by the Board of Directors of the Company and the Company Secretary shall be authorized to give effect to such changes.