



PPAP AUTOMOTIVE LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

1. Preface

As per Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges, on the basis of the criteria specified in sub-regulation (4) of Regulation 30.

2. Purpose of the Policy

The purpose of this Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in accordance with provisions of the Regulations and to provide an overall governance framework for such determination of materiality.

3. Definitions

- a) **“Act”** means the Companies Act, 2013;
- b) **“Board”** means the Board of Directors of PPAP Automotive Limited;
- c) **“Company”** means PPAP Automotive Limited;
- d) **“Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto; and
- e) **“Policy”** means this Policy for determination of Materiality of events / information and as may be amended from time to time.

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, Listing Agreement and / or any other SEBI Regulation(s) as amended from time to time.

4. Authorized Persons

The following Key Managerial Personnel of the Company:

- a) Managing Director;
- b) Chief Financial Officer;
- c) Whole Time Director;
- d) Chief Financial Officer; and
- e) Company Secretary

shall be responsible and authorized for ascertaining the materiality of events considering its nature and its disclosure to the Stock Exchanges after taking into consideration the various provisions of the Regulations and this Policy.

5. Guidelines for Determining Materiality of Events or Information

The Company shall make disclosure of events based on application of guidelines for determining materiality as per following criteria.

Events / information shall be considered as material if it meets any of the following criteria:

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- ii. 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; and
- iii. Any event/information which is treated as being material in the opinion of the Board of the Company.

6. Disclosures

- a) The events mentioned in **Annexure A**: Disclosures of Events or Information as per Schedule III of the Regulations shall be disclosed without any application of the guidelines of materiality. The indicative list of such events contained in the Regulations shall form part of this policy;
- b) The events and information conforming to the materiality for the purpose of disclosure to the Stock Exchanges in terms of Regulation 30 (3) of the Regulations shall be as contained in **Annexure B** and shall form part of this policy;
- c) The Company shall disclose the information to the Stock exchanges in accordance with the Regulations and circulars issued by SEBI from time to time;
- d) The Company shall disclose on its website all such information or events which have 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;
- e) The Company shall also disclose any other event or information to the Stock Exchanges, which is considered material by the Board of the Company; and
- f) Normally, the Company Secretary shall make necessary disclosures of events or information to the Stock Exchanges under Regulation 30 of the Regulations. However, such disclosures can also be made by any of the authorized person of the Company.

7. Amendments

Any change in the Policy shall be approved by the Board of the Company. The Board of the Company shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.

8. Dissemination of Policy

This Policy shall be hosted on the website of the Company at (www.ppapco.in).

Annexure A

Disclosures of Events or Information as per Part A of Schedule III of the Regulations

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

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 - 'Acquisition' shall mean-

- a. acquiring control, whether directly or indirectly; or,
 - b. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - (i) 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;
 - (ii) 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:
 - 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).
 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.

(7A) In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed 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 listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

- a. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges;
- b. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided; and
- c. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.

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.

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed 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 plans 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 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 Minimum Public Shareholding (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 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; and
 - 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

Events which shall be disclosed upon application of the guidelines for materiality referred in sub-regulation (4) of regulation (30).

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.