

Policy for Determination of Materiality for Disclosure of any Event/Information

CONTENTS:

Sr. No.	Particulars	Page
I	Preface	3
II	Scope of application	3
III	Definitions	3
IV	Criteria for determination of materiality of events / information	4
V	Disclosure of events or information	5
VI	Authority to key managerial personnel	6
VII	Review of the policy	6
VIII	Disclosure of policy	6

PREFACE:

The Board of Directors (the **“Board”**) of Onward Technologies Limited (the **“Company”**) has adopted the following policy and procedures with regard to determination of ‘Materiality’ of events or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) including any modifications, clarifications, circulars or re-enactment thereof. This policy (*as defined below*) has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations.

SCOPE OF APPLICATION:

The purpose of this Policy is to determine materiality of events and information based on criteria specified under 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.

DEFINITIONS:

- 1) **“Key Managerial Personnel”** shall mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.
- 2) **“Material Event”** or **“Material Information”** shall mean such event or information as set out in the Listing Regulations or as may be determined in terms of this Policy. In this Policy, the words, “material” and “materiality” shall be construed accordingly.
- 3) **“Material Subsidiary”** shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Listing Regulations.
- 4) **“Ordinary Course of Business”** to decide whether an activity which is carried on by the business is in the ‘ordinary course of business’, the following factors may be considered (as per guidance note issued by ICSI):
 - (a) if the activity is within the scope of the objects clause of the Memorandum of Association.
 - (b) if the activities are directly linked to achieving business goals.
 - (c) if the activity is a normal/routine practice within the specific business sector.
 - (d) if the activity is repetitive or occurs frequently.
 - (e) if the income generated from the activity is treated a business income in the company’s books of account.
 - (f) if the activity is commonly conducted in the industry.

- (g) if there are historical practices engaging in similar activities.
- (h) the financial scale of the activity regarding the operations of the business.
- (i) the revenue generated by the activity; and
- (j) the resources, including human, financial, and operational, committed to carrying out the activity.

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

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

CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:

The Company shall consider the criteria as specified in clause (i) of sub-regulation 4 of Regulation 30 of the Listing Regulations for determination of materiality of events / information which are as follows:

- (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 later.
- (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 last audited consolidated financial statements of the listed entity;
 - ii. Two percent of net worth, as per the last audited consolidated financial statements of the listed entity, 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 of the listed entity.
- (d) In case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of listed entity, the event / information is considered material.
Provided that any continuing event or information which becomes material pursuant to notification of any amendments brought about to the regulations shall be disclosed by the listed entity within the period prescribed by such an amendment.

DISCLOSURE OF EVENTS OR INFORMATION:

- (a) The listed entity shall first disclose to the stock exchange(s) all events/information which are material in terms of the provisions of this regulation 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 of Directors 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 listed entity.
 - (iii) twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

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

Provided further that in case the disclosure is made after the timelines specified under regulation 30 of the Listing Regulations, the listed entity shall, along with such disclosure, provide the explanation for the delay.

- (b) The Company shall make disclosure of events as specified in Para B of Part A of Schedule III of Regulations based on the application of guidelines for determining Materiality as per the Policy.
- (c) The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- (d) The Company shall disclose all events or disclosures with respect to Material Subsidiaries which are material for the Company.
- (e) The Company shall provide specific and adequate reply to all queries raised by the stock exchange(s) with respect to any events or information and on its own initiative.
- (f) Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.
- (g) In case where an event occurs or information is available with the Company, which has not been indicated in Para A or Para B of Part A of Schedule III of Regulations, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.
- (h) In case the Company is expected to disclose an event or information as per the terms of this Policy and the Listing Regulations, 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.
- (i) All the above disclosures would be hosted on the website of the Company for a minimum period of

five years and thereafter archived as per the Company's Policy for Preservation and Archival of Documents.

AUTHORITY TO KEY MANAGERIAL PERSONNEL:

Managing Director/Chief Executive Officer and Chief Financial Officer of the Company shall severally have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

REVIEW OF THE POLICY:

Any change in the Policy shall be approved by the Board of the Company. The Board 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.

DISCLOSURE OF POLICY:

This Policy shall be uploaded on the website of the Company at www.onwardgroup.com and a web-link thereto shall be provided in the Annual Report of the Company.

Such a disclosure of the Policy is intended to enable the relevant employees to identify any potential material event or information and reporting the same to the authorized key managerial personnel to determine the materiality of the said event or information and for making the necessary disclosures to the relevant stock exchange(s).
