R & B DENIMS LIMITED
CIN No: L17120GJ2010PLC062949

POLICY FOR DISSEMINATION OF INFORMATION AND DETERMINING MATERIALITY OF INFORMATION & EVENTS FOR REPORTING TO THE STOCK EXCHANGES

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PREAMBLE

This Policy shall be called "Policy for Determining Materiality of Information / Events for reporting to the Stock Exchanges".

The policy is framed pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("the Regulations).

OBJECTIVE

The Objectives of the Policy are to:

1. enable the investors to make well-informed investment decisions
2. take a view on the Materiality of an event that qualifies for disclosure under "the Regulations";
3. to authorize the Key Managerial Personnel to determine the materiality of an event or information and to make appropriate disclosures to the Stock Exchanges.

DISCLOSURE OF EVENTS / INFORMATION

The Company shall disclose to the Stock Exchange information on a continual and regular basis of events and developments on various matters. These may be divided into:

- Prior intimation
- Mandatory Disclosure of Event
- Disclosure of Event based on materiality

PRIOR INTIMATION TO THE STOCK EXCHANGES

1. The Company shall give prior intimation to the Stock Exchanges about the meeting of the Board of Directors at which meeting any of the following proposals are to be considered at least two working days in advance excluding the date of intimation and date of board meeting:

   a) Proposal for buy back of securities;

   b) Proposal for voluntary delisting by the listed entity from the stock exchange(s);

   c) Fund raising by way of further public offer, rights issue, American Depository Receipts / Global Depository Receipts / Foreign Currency Convertible Bonds, qualified institutions placements, debt issue, preferential issue or any other method and for determination of issue price.

   d) Intimation shall also be given of any Annual General Meeting or Extra Ordinary General Meeting or postal ballot that is proposed to be held for obtaining a shareholder approval for further fund raising indicating type of issuance;

e) Declarations / recommendation of dividend, issue of convertible securities including convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend;

f) The proposal for declaration of bonus securities.

g) Any alteration in the form or nature of any of its securities that are listed on the Stock Exchange or in the rights or privileges of the holders thereof

h) Any alteration in the date on which, the interest on debentures, or bonds, or the redemption amount of redeemable shares or of debentures or bonds, shall be payable.

2. The intimation regarding the meeting of the Board of Directors at which the quarterly, half yearly and annual financial results are to be considered shall be given at least five days in advance excluding the date of the intimation and the date of the meeting of Board of Directors.

3. The Company shall also give at least seven working days (excluding the date of intimation and the record date) to the Stock Exchanges regarding fixing of the record date/ book closure dates and such other matters as may be required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

DISCLOSURE

1. Mandatory Disclosure of Event

The Company shall promptly notify the Stock Exchanges upon occurrence of the events and developments with respect to matters required to be notified pursuant to the Regulations and in particular in respect of all matters listed in Para A of Part A of Schedule III read with Circular No CIR/CFD/CMD/4/2015 dated 9th September 2015 (annexed herewith and collectively marked as per Annexure A as "Event Based Disclosure") and Circular No SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023, and such other information as may be required to be disclosed to the Stock Exchange from time to time under these Regulations or under any other regulations.

2. Disclosure of Event based on Materiality :-

The Company shall make disclosure of events specified in Para B, C and D of Part A of Schedule III read with Circular No CIR/CFD/CMD/4/2015 dated 9th September 2015 (annexed herewith and collectively marked as per Annexure B as "Disclosure of Event based on Materiality') and Circular No SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023, after considering the criteria for determination of materiality of event/information and based on the limits prescribed under this policy.

In addition to the matters listed in Annexure A above, the Company shall also disclose to the Stock Exchanges any other event / information which would have a material

bearing on the operational / financial performance of the Company or otherwise materially impact the Company.

The Company shall disclose events/ information with respect to its subsidiaries which materially impact the operations/ performance of the Company.

The disclosure shall include material facts of the matter at the time of occurrence of event, subsequent developments if any and upon cessation of the event.

TIMING FOR DISCLOSURE

1. The Company shall ensure that dissemination of information of all events shall be first communicated to all the Stock Exchanges and thereafter to the investors/media.

2. The Company shall disclose within 30 minutes of the close of the board Meeting, the outcome of the decision of the Board of directors with respect to the following matters:

   i. Financial results;
   ii. Dividends and /or cash bonus recommended or declared and the date on which the dividend shall be paid and the passing/ skipping of dividend;
   iii. Cancellation of dividend with reasons thereof;
   iv. Buyback of securities;
   v. Fund raising proposed to be undertaken;
   vi. Increase in capital by issue of bonus shares including the date on which such bonus shares shall be credited/ dispatched;
   vii. Reissue of forfeited shares / 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 or privileges or benefits to subscribe to;
   viii. Particulars of any other alteration of capital including calls:
   ix. Voluntary delisting from the Stock Exchanges;

Such other information as may be required to be furnished under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 or by the Stock Exchange from time to time.

3. All event based information shall be first disclosed to the Stock Exchanges as soon as it occurs and not later than twenty-four hours from the occurrence of the event or information. In case there is a delay in communicating the event/information to the Stock Exchanges, the Company shall also provide explanations for the delay.

4. An event / information can be said to have occurred when the Company has become aware of the event / information or as soon as the Company becomes aware of the event / information or as soon as the Key Managerial Personnel has or ought to have reasonably come into possession of the information in the course of the performance of his duties.

5. An event / information can be said to have occurred when the Company has become aware of the event / information or as soon as the Company becomes aware of the event / information or as soon as the Key Managerial Personnel has or ought to have reasonably come into possession of the information in the course of the performance of his duties.

6. An event or information when 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.

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

   In case there is a delay from above specified timelines in communicating the event/information to the Stock Exchanges, the Company shall also provide explanations for the delay.

CRITERIA FOR DETERMINING MATERIALITY OF EVENT

The Company shall inform the Stock Exchange of events and developments which are price sensitive in nature or which have a bearing on the performance / operations of the Company or could otherwise substantially impact the company.

In applying the materiality test the Board shall take into account the following:

- Whether the non reporting of an event or information would result in the discontinuity or alterations of the event or information already available in public domain;
- whether the omission of an event or information is likely to result in a significant market reaction if such event or information became public knowledge at a later date;
- whether the information is likely to be of use to a reasonable investor as basis for his investment decisions. Any event which in the opinion of the Board is material from a governance point of view and ought to be disclosed to the Stock Exchanges.
- whether 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 of the Company;
    ii. 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. 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.

An event /information shall be considered material where the impact or potential impact of such event / information exceeds 5% of the Net Sales or 10% of the net worth of the Company whichever is lower, based on the consolidated audited financial statements of the Company for the immediately preceding Financial Year.

The above materiality criteria are only to serve as a guiding reference and the final decision with regard to materiality of an event would vest in the Key Managerial personnel so authorized by the Board of Directors herein.

PERSONS AUTHORIZED TO DECIDE ON THE MATERIALITY OF AN EVENT / INFORMATION FOR THE PURPOSE OF MAKING DISCLOSURE TO THE STOCK EXCHANGES

The Board has authorized the Company Secretary and Compliance officer of the Company and in his absence the Chief Financial Officer (CFO) to take a view on the materiality of an event having regard to the aforesaid all Material Events / Information which were required to be disclosed to the Stock Exchanges have been informed.

OTHER PROVISIONS

1. The Company shall provide to the Stock Exchanges in respect such information concerning the Company as the Stock Exchanges may reasonably require in connection with the disclosure of events.
2. The Company may on its own accord confirm or deny any reported event to the Stock Exchanges.
3. In the event of any conflict between the provisions of this Policy and the Companies Act, 2013, the Regulations and/or any other statutory enactments and rules, the provisions of such Companies Act, 2013, the SEBI (Listing Obligations and disclosure Requirements) Regulations 2015 and/or any other statutory enactments, rules etc shall prevail over this Policy.
4. The Company shall disclose on its website all such events or information which has been disclosed to the Stock Exchanges under this Regulation. Such disclosures shall be hosted on the website of the Company for a minimum period of five years.
5. This Policy shall stand amended / modified to the extent so occasioned by any amendment / modification of the SEBI Regulations.

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(This policy is approved and amended by the Board of Directors at their meeting held on 27th June, 2024 and effective from 27th June, 2024)

Annexure — A

Mandatory Disclosure of Event

Pursuant to Para A of Part A of Schedule III read with Circular No C1R / CFD/ CMD/ 4/ 2015 dated 02nd September 2015 of the Stock Exchanges pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015

The following shall be events / information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):

A. 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 - 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, a company, whether directly or indirectly, such that —
      (a) 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;
      (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-pars 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; financial results;
h) 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), 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:

i. The letter of resignation along with detailed reasons for the resignation as given by the said director

(ia) Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.

ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.

iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.

(7C) In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.

(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. 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. events in relation to the corporate insolvency resolution process

17. Initiation of Forensic audit

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.

    Explanation – "social media intermediaries" shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

i. 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

ii. 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

iii. 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 — B

Disclosure of Event based on Materiality

Pursuant to Para B, C and D of Part A of Schedule III read with Circular No CIR / CFD/ CMD/ 4/ 2015 dated 09th September 2015 of the Stock Exchanges pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

B. Events which shall be disclosed upon application of the guidelines for materiality referred 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. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

C. 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.

D. 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.

Names and Contact Details of Key Managerial Personnel (KMPs) authorised to determine materiality of an event/s or information and for the purpose of making disclosures to Stock Exchanges shall be intimated to the stock exchange from time to time under Regulation 30(5) of SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015.

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