PANASONIC CARBON INDIA CO. LIMITED
CIN: L29142TN1982PLC009560
Old No. 319, New No. 4, (3rd Floor), Valluvarkottam High Road,
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Tel: +91-44-28275216/226
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POLICY ON DETERMINING THE MATERIALITY OF EVENTS

1. Objective

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations). The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

2. Definition

‘‘Act’’ shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

‘‘Board of Directors’’ or ‘‘Board’’ means the Board of Directors of **Panasonic Carbon India Co. Limited** as constituted from time to time.

‘‘Company’’ means **Panasonic Carbon India Co. Limited**

‘‘Key Managerial Personnel’’ mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

‘‘Listing agreement’’ shall mean an agreement that is to be entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ‘‘Material Event’’ or ‘‘Material Information’’ shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, ‘‘material’’ and ‘‘materiality’’ shall be construed accordingly.

‘‘Net Worth’’ shall mean Net worth as defined in sub-section (57) of Section 2 of the Companies Act, 2013.

‘‘Policy’’ means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

‘‘Regulations’’ mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

"Schedule" means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

3. Principles for determining Materiality of Events/Information

The Policy applies to Material events/information specified under Regulation 30 and Part A of Schedule III to the SEBI Listing Regulations.

3.1. The Policy applies to Material events/information specified under Regulation 30 and Part A of Schedule III to the SEBI Listing Regulations.

3.2. All events/information stated in Para A of Part A of Schedule III to the SEBI Listing Regulations (listed in Annexure I to the Policy, as amended from time to time) are deemed to be material.

3.3. In respect of events/information stated in Para B of Part A of Schedule III to the SEBI Listing Regulations (listed in Annexure II to the Policy, as amended from time to time), the following criteria will be considered for determining materiality of events or information:

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 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 3.3.1 to 3.3.3 is not applicable, an event or information may be treated as being material if in the opinion of the Board, the event or information is considered material.

3.4. In respect of events/information stated in Para C of Part A of Schedule III to the SEBI
Listing Regulations (listed in Annexure III to the Policy, as amended from time to time),

the Authorised Officer shall determine the materiality of such events / information and shall disclose the same to the Stock Exchanges.

4. Time Limit for the Disclosure

All events or information that are material in terms of this policy or the SEBI Listing Regulations shall be disclosed as soon as reasonably possible and unless separate timelines are specified in the SEBI Listing Regulations, in any case not later than the following:

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

Provided that in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting:

Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

4.2. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

4.3. 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.

5. Authority To Key Managerial Personnel

The Managing Director, Chief Financial Officer and Company Secretary of the Company (hereinafter referred to as Authorised Officer) shall have the joint authority to determine Materiality of any event or information and for the purpose of ensuring disclosures are made to stock exchange(s), subject to the provisions of this Policy.

The contact details of Managing Director, Chief Financial Officer and Company Secretary shall be disclosed and updated from time to time to the stock exchange(s) and as well as maintained on the Company’s website.

6. Amendments

The Board may subject to the applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

7. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

8. Dissemination of Policy

This Policy shall be hosted on the website of the Company.

ANNEXURE-I

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 or 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 associate company of the listed entity or any other restructuring.

Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-

i. acquiring control, whether directly or indirectly; or

ii. acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that --

a. the listed entity holds shares or voting rights aggregating to twenty 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 subclause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds five per cent of the total shareholding or voting rights in the said company; or

c. the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Provided that acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last disclosure made under this proviso exceeding two per cent of the total shareholding or voting rights in the said unlisted company shall be disclosed on a quarterly basis in the format as may be specified.

Explanation (2) - For the purpose of this sub-paragraph, ‘‘sale or disposal of subsidiary’’ and ‘‘sale of stake in associate company’’ shall include.

(a) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or

(b) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (3)- For the purpose of this sub-paragraph, ‘‘undertaking’’ and ‘‘substantially
the whole of the undertaking’’ shall have the same meaning as given under section 180
of the Companies Act, 2013.

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 Rating(s) or Revision in Rating(s).

4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s) the outcome of meetings of the board of directors held to consider the following:

a. dividends 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 including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method;

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.

(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.

Explanation: For the purpose of this clause, the term ‘‘directly or indirectly’’ includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

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 of the listed entity, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

i. Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

ii. ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days. Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.

Explanation 3 – Fraud by senior management, other than who is promoter, director or key managerial personnel, shall be required to be disclosed only if it is in relation to the listed entity.

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, 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:

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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 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 registrar to an issue and share transfer agent.

9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:

i. Decision to initiate resolution of loans/borrowings;

ii. Signing of Inter-Creditors Agreement (ICA) by lenders;

iii. Finalization of Resolution Plan;

iv. Implementation of Resolution Plan;

v. Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.

10. One time settlement with a bank.

11. winding-up petition filed by any party / creditors.

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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) (i) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet)

(ii) Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed to the recognized stock exchanges prior to beginning of such events.

Explanation [I]: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

Explanation II: Disclosure of names in the schedule of analysts or institutional investors meet shall be optional for the listed entity.

(b) Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:

i. The audio recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;

ii. the video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls;

iii. the transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchanges within five working days of the conclusion of such calls.

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.

Explanation – For the purpose of this sub-paragraph, forensic audit refers to the audits, by whatever name called, which are initiated with the objective of detecting any mis-statement in financial statements, mis-appropriation, siphoning or diversion of funds and does not include audit of matters such as product quality control practices, manufacturing practices, recruitment practices, supply chain process including procurement or other similar matters that would not require any revision to the financial statements disclosed by the listed entity.

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.

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;along with the following details pertaining to the actions(s) initiated, taken or orders passed:

i. name of the authority;

ii. nature and details of the action(s) taken, initiated or order(s) passed;

iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;

iv. details of the violation(s)/contravention(s) committed or alleged to be committed;

v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

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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;

(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; along with the following details pertaining to the actions(s) taken or orders passed:

i. name of the authority;

ii. nature and details of the action(s) taken or order(s) passed;

iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;

iv. details of the violation(s)/contravention(s) committed or alleged to be committed;

v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

Explanation -- Imposition of fine or penalty shall be disclosed in the following manner along with the details pertaining to the action(s) taken or orders passed as mentioned
in the sub-paragraph:

i. disclosure of fine or penalty of rupees one lakh or more imposed by sectoral regulator or enforcement agency and fine or penalty of rupees ten lakhs or more imposed by other authority or judicial body shall be disclosed within twenty-four hours.

ii. disclosure of fine or penalty imposed which are lower than the monetary thresholds specified in the clause (i) above on a quarterly basis in the format as may be specified.

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.

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ANNEXURE-II

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. Any of the following events pertaining to the listed entity:

(a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or

(b) adoption of new line(s) of business; or

(c) closure of operation of any unit, division or subsidiary (in entirety or in 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. Awarding, bagging/ receiving, amendment or termination of awarded/bagged

orders/contracts not in the normal course of business.

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 named 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.

Annexure III

In case an event or information is required to be disclosed by the listed entity in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.