

**Policy for Determination of Materiality of an
Event/Information**

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1. PREAMBLE

This Policy has been formulated in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with SEBI Circular No. CIR/CFD/CMD/4/2015 and SEBI/HO/CFD/CFD-PoD- 1/P/CIR/2023/123 dated September 09, 2015 and July 13, 2023, respectively, whereby all listed companies are required to frame a Policy for Determination of Materiality of an Event/Information under the said Regulations.

2. OBJECTIVE

The Board of Directors of **Zenith Exports Limited** ('the Company') has adopted this Policy for Determination of Materiality of an Event/Information with the intention to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to enable them to take well informed investment decisions with regard to the securities of the Company.

Further, the Policy is designed for systematic identification, categorization, review and disclosure to the stock exchanges and hosting on the Company's website and regular updation of the events/ information which may have material bearing on the performance /operation of the Company and as a result, affect the market prices of the listed securities of the Company.

3. APPLICABILITY

This Policy shall come into force from the date of approval by Board of Directors of the Company.

4. DEFINITIONS

In this Policy, unless otherwise expressly mentioned,

"Board of Directors" or "Board" means the collective body of the Directors of the Company;

"Committee" means a Committee of the Board;

"Material event/information" means any decision made by the majority shareholders, decisions made at a members' general meetings or by the Board or a committee or senior management, or any other acts related to company's business and operations that could significantly influence:

- the market price of securities issued by the Company; and/or
- an investor's decision to buy, sell or maintain such securities.

However, the same shall not include any decision in the nature of recommendation, advisory or suggestions given by any committee or the Board or the Senior Management.

“Meeting” means a meeting, duly convened, and constituted, of the Board or any committee thereof or of the Members of the Company.

“Senior Management” shall mean officers and personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/ manager (including chief executive officer and manager, in case they are not part of the board) and shall specifically include the functional heads, by whatever name called and company secretary and chief financial officer.

5. AUTHORITY

The Managing Director/Whole-Time Director, Chief Financial Officer and Company Secretary/Compliance Officer of the Company shall severally, in consultation with the Senior Management (where required), determine the materiality of an event or information and shall make necessary disclosures to the Stock Exchanges.

Contact details of the Authorized Persons/compliance officer shall be disclosed to the Stock Exchanges and also provided on the website of the Company.

The relevant employees of the Company shall identify any potential material event or information as per this Policy and report the same to the aforementioned authorized Key Managerial Personnel, for making the necessary disclosures to the stock exchange(s).

6. DEEMED MATERIAL EVENTS /INFORMATION AND DISCLOSURE

Events or information specified as per Regulation 30 (2) in Part A (Para A) of Schedule III to the Listing Regulations will be deemed to be material events/information and will be disclosed as per the Listing Regulations, irrespective of application of the materiality criteria. **(List of events attached as Annexure-A to this policy).**

Events or information specified as per Regulation 30 (3) in Part A (Para B) of Schedule III of the Listing Regulation shall be disclosed by the Company based on materiality criteria defined under Clause 7 below **(List of events attached as Annexure-B to this policy).**

The Company shall disclose to the stock exchange(s) all such events or information which are material in terms of the provisions of the Listing Regulations as soon as reasonably possible and in any case not later than the following:

- (i) 30 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) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- (iii) 24 hours from the occurrence of the event or information in case the event or information is not emanating from within the Company.

In case the disclosure is made after the aforesaid timelines, the Company shall along with such disclosures provide explanation for such delay.

However, events or information specified in Part A of Schedule III of the Listing Regulations, shall be disclosed within such time limit as may be prescribed under the Listing Regulations from time to time.

7. DETERMINATION OF MATERIALITY OF EVENT/ INFORMATION AND DISCLOSURE

1. Materiality will be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information. In order to ascertain whether a particular event/information is material in nature, materiality criteria as under will be applied subject to the Quantitative factor mentioned below:

- a) the omission of an event or information which is likely to:
 - result in a discontinuity or alteration of an event already available publicly; or
 - result in significant market reaction if the said omission came to light at a later date;
- b) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - 2 % of turnover, as per the last audited consolidated financial statements of the Company;
 - 2 % 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;
- 5 % of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.
- c) Any event or information having a significant risk to the reputation of the Company;
- d) In the opinion of the Board of Directors of listed entity, the event/ought to be disclosed.

2. Events specified in Para B, C & D of Part A of Schedule III of the Listing Regulation shall be disclosed by the Company based on materiality criteria in Point 1 above **(List of events attached as Annexure- B to this policy)**.

2. In determining materiality, a number of factors such as the nature of the information, prevailing market conditions, general business practices, industry scenario, business outlook etc. shall be taken into consideration.
3. The Company will disclose Material Information concerning the business and affairs of the Company to the public immediately, except where permitted by law and when otherwise required for the purpose of maintaining the confidentiality of the information.
4. The extent of the disclosures will depend upon the stage of discussions, studies, or negotiations.

8. ANY OTHER INFORMATION OR EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY

Events of the Company to which neither Para A nor B of Part A of Schedule III of Listing Regulations apply, should be disclosed if such events are considered as material by the Company based on the determination of Materiality criteria above. The Company shall disclose any other information/event viz. major developments that are likely to affect its 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 available with the Company and which may be necessary to enable the holders of securities to review their position and to avoid creation of a false market for equity shares of the Company.

Without prejudice to the generality of Para A, B and C of Part A of Schedule III of Listing Regulations, the Company may make disclosures of event/information as specified by the Securities and Exchange Board of India from time to time.

The Company may at its own discretion, confirm or deny any reported event or information to stock exchange(s).

Further, in case an event or information is required to be disclosed by the Company in terms of the provisions of 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.

9. WEBSITE

The Company shall disclose on its website all such events or information which have been disclosed to the Stock Exchanges as stated above and such disclosures shall be hosted on the website of the Company for a period of 5 (five) years and thereafter as per the Policy for Preservation of Documents & Archival Process of the Company.

10. MONITORING AND EVALUATION OF THE POLICY

The Policy shall be subject to review by the Board. Any amendment made to the policy as deemed necessary from time to time in accordance with the regulatory requirements / amendments or otherwise, shall be reported to the Board for approval and noting at a meeting of the Board.

In the event of any conflict between the provisions of this Policy and of the Act or Regulations or any other statutory enactments, the provisions of such Act or regulations or statutory enactments would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with law.

11. VERSION HISTORY

Sr. No.	Version	Created by	Reviewed and Recommended by	Approved By	Approval Date	Amendment Summary
1	Initial	Secretarial Department	Audit Committee	Board of Directors	10.11.2023	Materiality of events has been revised as per SEBI Circular dated 13.07.2023.
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ANNEXURE -A

Same as Para A of Part A of Schedule III

Events or information 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 Company, sale of stake in associate Company or any other or any other restructuring.

Explanation (1) - '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 Company holds shares or voting rights aggregating to 5 % 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 and such change exceeds 2% 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 of Listing Regulations.

Explanation (2) - “Sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

- (i) 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 Company; or
- (ii) 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) - “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 credit rating(s);
4. Outcome of Meetings of the Board of Directors: The Company 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 Company 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;

5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company 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 Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that such agreements entered into by a Company 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 Company or they are required to be disclosed in terms of any other provisions of the Listed Regulations.

Explanation - "Directly or indirectly" includes agreements creating obligation on the parties to such agreements to ensure that the Company shall or shall not act in a particular manner.

6. Fraud/defaults by the Company, its Promoter, Director, Key Managerial Personnel, Senior Management or subsidiary or arrest of Key Managerial Personnel, Senior Management, Promoter or Director of the Company, 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, the Company 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 Company.

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 Company, 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 Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:

- i. The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - a. 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 are no other material reasons other than those provided.
- iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons 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 Company within seven days from the date that such resignation comes into effect.
- (7D) In case the Managing Director or Chief Executive Officer of the Company 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 including the following details:
 - a. Decision to initiate resolution of loans/borrowings;
 - b. Signing of Inter-Creditors Agreement (ICA) by lenders;
 - c. Finalization of Resolution Plan;
 - d. Implementation of Resolution Plan;
 - e. 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;
 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 Company;
 13. Proceedings of Annual and extraordinary general meetings of the Company;
 14. Amendments to memorandum and articles of association of Company, in brief;
 15. a. Schedule of Analyst or institutional investor meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the Company to analysts or institutional investors.
Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.
 - b. Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:

- i. the presentation and the audio/video 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 transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:

The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021, and mandatory with effect from April 01, 2022.;

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 under IBC proceedings;
- 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 plan as 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.
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- m. Any other material information not involving commercial secrets;
 - n. Proposed steps to be taken by the incoming investor/acquirer for achieving the 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 the Company:
- 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 Company along with comments of the management, if any.
- 18.** Announcement or communication through social media intermediaries or mainstream media by Directors, Promoters, Key Managerial Personnel or Senior Management of the Company, in relation to any event or information which is material for the Company in terms of Regulation 30 of the Listing Regulations and is not already made available in the public domain by the Company. 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 Company or its Directors, Key Managerial Personnel, Senior Management, Promoter or subsidiary, in relation to the Company, 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 Company, quantifiable in monetary terms to the extent possible.

20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its Directors, Key Managerial Personnel, Senior Management, Promoter or subsidiary, in relation to the Company, 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) 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 Company, quantifiable in monetary terms to the extent possible.

21. Voluntary revision of financial statements or the report of the board of directors of the Company under Section 131 of the Companies Act, 2013.

ANNEXURE -B

Same as Para B of Part A of Schedule III

Events which shall be disclosed upon application of the guidelines for Materiality as specified 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. Any of the following events pertaining to the Company:
 - (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. Agreements (viz. loan agreement(s) 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 Company 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 Company;
8. Pendency of any litigation(s) / dispute(s) / the outcome thereof which may have an impact on the Company;
9. Fraud/defaults by employees of the Company which has or may have an impact on the Company;
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.

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.
