

INTERARCH BUILDING PRODUCTS LIMITED

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**POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION
(MATERIALITY POLICY)**

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For Interarch Building Products Limited

Managing Director

For Interarch Building Products Limited

Whole Time Director

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION
(MATERIALITY POLICY)

Under Regulation 30(4) (ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Policy on Materiality of disclosures of events or information

1. PREAMBLE

Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR Regulations"), mandates a listing entity to frame a policy for determination of materiality, based on criteria specified therein and the policy needs to be approved by the Board of Directors of Interarch Building Products Limited (the "Company"). The policy is also required to be hosted on the website of the Company.

The determination of materiality is for the purpose of determining the events and information which are material and price sensitive for the purpose of making disclosure to BSE Limited and National Stock Exchange of India Limited. The Policy applies in respect of disclosure of material events occurring within the Company and its subsidiaries (if any).

This policy is in addition to, and does not derogate from, the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which deals with dissemination of Unpublished Price Sensitive Information (also referred to as material non-public information). This Policy shall come into force from the date of listing of equity shares of the Company on the stock exchanges.

2. CRITERIA FOR DETERMINATION OF MATERIALITY

Materiality must be determined on a case-to-case basis depending on the material facts and circumstances pertaining to the information or event. The Company shall consider the following criteria for determination of materiality of events/ information which are subject to the factors mentioned below:

I. QUALITATIVE 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; or
- (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; or

II. QUANTITATIVE CRITERIA

- (iii) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
- (iv) 2% (two percent) of turnover, as per the last audited consolidated financial statements of the Company;
- (v) 2% (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;

(vi) 5% (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.

(vii) In case where the criteria specified in (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 Company, the event/information is considered material.

(viii) Notwithstanding anything stated above, the Board of Directors of the Company may prescribe any other criteria, from time to time, to determine materiality of events/information under this Policy. However, such criteria shall not dilute the requirements prescribed under the SEBI LODR Regulations.

3. DISCLOSURE OF EVENTS OR INFORMATION

The Company shall make disclosures of any events or information which in the opinion of the Board of Directors is material or required under the SEBI LODR Regulations.

The Company will also disclose to the Stock Exchanges, with respect to its Subsidiaries, events and information which are material for the Company (if any).

The SEBI LODR Regulations have divided the events that need to be disclosed as follows:

Category 1: Events have to be necessarily disclosed without applying any test of materiality. The events indicated in Para A of Part A of Schedule III of the SEBI LODR Regulations. List of events is attached as Annexure – A.

Category 2: Events should be disclosed upon application of the guidelines for materiality as stated in the above clause 2. These events are indicated in Para B of Part A of Schedule III of the SEBI LODR Regulations. List of events is attached as Annexure – B.

4. TIME LIMIT FOR THE DISCLOSURE

The Company shall disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this policy and Regulation 30 of SEBI LODR Regulations as soon as reasonably possible and in any case not later than the following:

- (i) 30 (thirty) minutes from the closure of the meeting of the Board of Directors of the Company for all material events/ information for which decision is taken in a Board meeting ;
- (ii) 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- (iii) 24 (twenty four) hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

However, the disclosure with respect to events for which timelines have been specified in Part A of Schedule III of SEBI LODR Regulations shall be made within such timelines as may be specified from time to time. In case the disclosure is made after the time limit specified under Regulation 30 of SEBI LODR Regulations, the Company shall, along with such disclosure provide the explanation for the delay.

5. AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:

The Board of Directors of the Company has authorised Chief Financial Officer ('CFO) and the Managing Director ("Authorised Persons") to determine the materiality of an event or information and to make appropriate disclosures on a timely basis. The Authorised Persons are empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they deem fit. Details of the Authorised Persons shall be disclosed to the Stock Exchanges and on the Company's website.

6. PROCEDURE FOR DISCLOSURE

In order to ensure that the Company complies with the disclosure obligations under Regulation 30 of the SEBI LODR Regulations, an internal system to determine the materiality of an event or information is made.

Under the system, all senior management personnel who are responsible for relevant areas of the Company's operations must report immediately to the "Authorised Persons" and Company Secretary, about occurrence of any event or information which in his opinion may require disclosure.

On receipt of communication of such event or information, the matter will be reviewed and assessed by the "Authorised Persons" in regard to its accuracy and materiality of such event or information in terms of this policy. Where the Company is not certain about materiality of event/information, it may refer the matter for the external legal advice expeditiously. On completion of the assessment, the Company Secretary shall, if required, make appropriate disclosure(s) to the stock exchanges.

7. POLICY REVIEW

The Authorized Persons may review the Policy from time to time. Material changes to the Policy will need the approval of the Board of Directors of the Company. If there is any inconsistency between the terms of the Policy and the SEBI LODR Regulations, the provisions of the SEBI LODR Regulations shall prevail. Any amendments to the SEBI LODR Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy

8. WEBSITE

As per the provisions of the SEBI LODR Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to Stock Exchanges under the SEBI LODR Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the Documentation Retention and Archival Policy of the Company.

9. AMENDMENT

The Board of Directors on its own and / or as per the recommendations of the Committee can amend this policy, as and when deemed fit. In case of any amendment(s), clarification(s), circulars(s) etc, issues by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circulars(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarifications(s), circular(s) etc

Category 1 - Events which shall be disclosed without any application of the guidelines for materiality:

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.

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), 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).

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 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.

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:

7. Change in Directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary Etc.), senior management, Auditor and Compliance Officer.

(7A) In case of resignation of the auditor of the listed entity, detailed reasons for (2) 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 auditor 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:**

(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 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.

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) 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) and presentations made by the listed entity 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:

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.

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.

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.

(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) 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.

(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.

Category 2: Events which shall be disclosed upon application of the guidelines for materiality:

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)
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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity. 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, 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.