

## **POLICY FOR DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS OR INFORMATION**

### **1. LEGAL FRAMEWORK:**

Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) requires the listed companies to frame a policy, approved by its Board of Directors, for determination of materiality of any event(s)/ information to be disclosed to the stock exchanges.

Pursuant to the said Regulation 30 of SEBI Listing Regulations, the Board of Directors duly adopted the “Policy for Determination and Disclosure of Materiality of Events or Information”. This Policy has now been revised / updated based on the amendments made to Regulation 30 and Schedule III of SEBI Listing Regulations, by way of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR Amendments”) and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/ 2023/123, dated July 13, 2023 (“SEBI Disclosure Circular”).

### **2. OBJECTIVE:**

The SEBI Listing Regulations has prescribed formulation of guidelines for determination of materiality of an event / information and procedures for fair disclosure of Material events and Unpublished Price Sensitive Information (“UPSI”) to the Stock Exchanges and the Archival Policy.

The Company recognizes its responsibility to its investors for disseminating material information in a fair, transparent and timely manner. Accordingly, the Company via this Policy is setting out the criteria for determining materiality and their appropriate disclosures.

The objective of this Policy is to assist the employees of the Company in identifying potential material events or information in an objective manner that may originate at the ground level which can be promptly escalated and reported to the authorised Key Managerial Personnel or other officers of the Company, as specified in this Policy, for determining the materiality of the said event or information and for making necessary disclosure to BSE Limited (“the Stock Exchange”). All provisions of Regulation 30 read with Schedule III of SEBI Listing Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

### **3. INTRODUCTION:**

In this Policy, unless the context otherwise requires:

- (a) “Act” means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- (b) “Board of Directors” or “Board”) means the Board of Directors of the Company.
- (c) “Company” means Palco Metals Limited.

(d) “Key Managerial Personnel” means Key Managerial Personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.

(e) “SEBI Listing Regulations” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(f) “Net Worth” shall have the meaning assigned to it in Section 2(57) of the Act;

(g) “Policy” means this policy, as amended from time to time.

(h) “SEBI” means the Securities and Exchange Board of India.

(i) “Rules” means the rules made under the Act.

(j) “Stock Exchange” means BSE Limited, where the equity shares of the Company are listed.

(k) “Turnover” shall have the meaning assigned to it in Section 2(91) of the Act;

All other words and expressions used but not defined in this Policy, shall have the same meaning as assigned to it under the SEBI Listing Regulations, the Act, the SEBI Act, 1992 (“SEBI Act”) and the Securities Contracts (Regulation) Act, 1956 (“SCRA”).

#### **4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS:**

Further, Regulation 30 of SEBI Listing Regulations divides the event(s) / information requiring disclosure into two categories, one – Event(s) / information that are deemed as Material (“**Para A Events**”) and Two – Event(s) / information, materiality of which is to be determined by application of materiality criteria (“**Para B Events**”).

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of SEBI Listing Regulations (as applicable from time to time) (“**Para A Events**”) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of SEBI Listing Regulations. Details to be provided to the Stock Exchange while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

#### **5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY**

The Company shall disclose all such material events or information pertaining to itself or to its subsidiary(ies), specified in Para B of Part A of Schedule III of SEBI Listing Regulations (“**Para B Events**”) subject to application of guidelines for materiality, as set out under SEBI Listing Regulations.



## **6. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

**Quantitative criteria** would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- (a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or
- (b) 2% (two per cent) of consolidated 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)); or
- (c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

**Qualitative criteria** would mean an event/ 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) any other 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.

## **7. DISCLOSURE:**

The Company will disclose all the material events / information and such other filings as required under the SEBI Listing Regulations as per the timelines prescribed thereunder as detailed below:



<b>Nature of information</b>	<b>Timelines for disclosure</b>
Developments happening or information originating within the Company This shall include the following: <ul style="list-style-type: none"> <li>• Any internal event / information which is likely to be considered as material.</li> <li>• Any external event / information which is materially impacting the Company including its subsidiaries and if the same has been formally communicated to the Company.</li> </ul>	<ul style="list-style-type: none"> <li>• Events / Information requiring Board approval: Within 30 minutes from closure of Board Meeting in which matter is approved</li> <li>• Events / Information NOT requiring Board approval: Within 12 hours</li> </ul>
Information originating outside the Company that is informed by a third party This shall include the following: <ul style="list-style-type: none"> <li>• Any external event / information which is materially impacting the Company including its subsidiaries and if the same has NOT been formally communicated to the Company.</li> </ul>	Within 24 hours
Outcome of Board Meeting for matters specified in Schedule III	Within 30 minutes of the conclusion of Board Meeting
Schedule of analysts or institutional investors meet	At least 2 working days in advance (excluding the date of the intimation and the date of the meet)
Presentation and audio / video recording of analyst / investor meet	Before the next trading day or within 24 hours from the conclusion of such calls, whichever is earlier
Transcripts of analyst / investor meet	Within 5 working days of conclusion of such call
Agreements binding the Company as specified in Clause 5A of Para A of Part A of Schedule III of Listing Regulations	Any Future Agreement where the Company is not a party to the agreements: All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its holding, subsidiary and associate company, who are parties to the agreements, shall inform the Company about the agreement to which Company is not a party, within 2 working days of entering into such agreements or signing an agreement to enter into such agreements.



	<p>The Company shall then inform the stock exchange(s) within 24 hours of receipt of this information.</p> <p>Any Future Agreement where the Company is a party to the agreements:</p> <ul style="list-style-type: none"><li>• Agreements post Board approval: Within 30 minutes from closure of Board Meeting in which Agreement is approved</li><li>• Events / Information NOT requiring Board approval: Within 12 hours of entering into such agreements or signing an agreement to enter into such agreements.</li></ul>
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**8. AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE:**

The following KMPs and officers of the Company are hereby authorized or the purpose of determining materiality of an event or information, evaluating whether an event/ information requires Stock Exchange disclosures, and for the purpose of making disclosures to the Stock Exchange within the applicable timelines (“**Authorized Person(s)**”):

1. Managing Director

Company Secretary and Compliance Officer of the Company is authorised to disclosure of material events or information to Stock Exchange.

The Company shall also make disclosure of events/information as may be specified by the Securities and Exchange Board of India (SEBI) and Stock Exchange from time to time.

**9. LIMITATION & AMENDMENT:**

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.