



WARDWIZARD FOODS AND BEVERAGES LIMITED
POLICY FOR DETERMINING MATERIALITY WITH REGARD TO
DISCLOSURE OF EVENTS OR INFORMATION

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POLICY FOR DETERMINING MATERIALITY WITH REGARD TO DISCLOSURE OF EVENTS OR INFORMATION

1. INTRODUCTION

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time and the circulars issued thereunder, require the listed entities to make timely and adequate disclosure of certain events or information to the Stock Exchange(s) which in the opinion of the Boards of the respective listed entities, are of material value.

In terms of sub-regulation 4(ii) of Regulation 30 of the Listing Regulations, the Company has formulated and adopted this “**Policy for determining Materiality with regard to Disclosure of Events or Information**” (“Policy”) for dissemination of material events or information to the Stock Exchange(s).

The Policy applies to disclosure of events or information which are material to the Company and do not dilute any requirement specified under the provisions of the Listing Regulations.

2. OBJECTIVE

The objective of this Policy is to lay down the principles for determining materiality of events or information which require timely and adequate disclosure to the Stock Exchange(s) where the securities of the Company are listed, so that the employees of the Company get assistance in identifying the potential material events or information in an objective manner that may originate at the ground level and can promptly be escalated and reported to the Authorized Persons (as defined in Clause 4.3.1.) of the Company, as specified in the Policy. This is required for ensuring timely and adequate disclosure of the material events or information to the Stock Exchange(s), so as to enable the investors to take well-informed decisions.

DEFINITIONS:

The terms and expressions used but not defined herein shall have the same meaning as assigned to those terms under the 2015 Regulations, the Companies Act 2013, the Securities Contracts (Regulations) Act, 1956 or any other applicable laws or regulations, as the case may be.

3. DISCLOSURE OF EVENTS OR INFORMATION:

- A. Events or information specified in Para A of Part A of Schedule III of the Listing Regulations (as may be amended from time to time) will be disclosed without application of any quantitative or qualitative materiality thresholds as these are “deemed” to be material.
- B. The events or information specified in Para B of Part A of Schedule III of the Listing Regulations will be disclosed based on application of materiality criteria, as laid out in the Policy.
- C. The Company shall be required to make adequate and timely disclosure of events or information which have not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it.

4. MATERIALITY WITH REGARD TO DISCLOSURE OF EVENTS OR INFORMATION

4.1. Determination of Materiality

4.1.1. Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the events or information mentioned in Para B of Part A of Schedule III of Listing Regulations. 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 the Listing Regulations subject to application of the materiality criteria, as laid out in the Policy.

4.1.2. In order to determine whether a particular event/information is material in nature, the Company shall consider the **Quantitative** and / or **Qualitative** criteria, as mentioned below.

4.1.3. **Quantitative** criteria shall be calculated based on last audited consolidated financial statements and shall 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 (three) years, as per the last 3 (three) audited consolidated financial statements of the Company.

For the purpose of computation under Clause 4.1.2. (c) above, 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.

It is hereby clarified that when the net worth is negative, the assessment of materiality shall be done based on turnover and average of absolute of profit or loss after tax.

4.1.4. **Qualitative** criteria would mean possibility of any of the following impacts upon non-disclosure of an event/ information:

- a. the omission of which is likely to result in discontinuity or alteration of an event or information already available publicly; or
- b. the omission of which is likely to result in significant market reaction if the said omission came to light at a later date, which may also be termed as price sensitive information.

Only such impact which is direct, reasonably quantifiable and perceivable and not remote shall be considered.

Any other event/information may be treated as being material if in the opinion of the Board of Directors of Company and the KMPs, the event or information is considered material.

4.1.5. In circumstances where "Quantitative" test may not be applicable, "Qualitative" test may be applied to determine materiality.

4.2. Guidelines on occurrence of an event / availability of information and time of disclosure

4.2.1 Where the occurrence of event or information depends upon the stage of discussion, negotiations or approval:

The event or information can be said to have occurred upon receipt of approval of Board e.g. further issue of capital by rights issuance and in certain events or information after receipt of approval of the shareholders, based on the recommendation of the Board.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends, disclosure shall be made on receipt of approval of Board, pending shareholders' approval.

4.2.1 Occurrence of event or information where no discussion, negotiation or approval is required:

An event or information can be said to have occurred when the Company becomes aware of the event or information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Explanation: The term 'officer' shall have same meaning as defined under the Companies Act, 2013 and includes promoter of the Company.

4.2.2 Occurrence of an event or information, where based on the preliminary information available, the Company or its KMP cannot reasonably determine whether the information is material or not and may need to wait for more information or seek expert advice or conduct investigation / inquiry in order to determine the nature of the information:

In such cases, the Authorised Persons (as defined in Clause 4.3.1.) shall apply guidelines for assessing materiality when they become aware of the event or information. The event / information shall be disclosed when the probable impact of such event or information becomes known / assessable to the extent of 75% of materiality threshold and not when the impact is finally and accurately assessed.

4.2.3 In case of force majeure events, disclosure shall be made when the Company becomes aware of the event/ information. Company will be considered to be aware of the events / information, as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Explanation: The term 'officer' shall have same meaning as defined under the Companies Act, 2013 and includes promoter of the Company.

4.2.4 All events/information identified as material in line with the Listing Regulations shall be disclosed as soon as reasonably possible and no later than:

- i. 30 minutes from the closure of the board meeting in which the decision pertaining to the event or information has been taken, if the said Board meeting closes before normal trading hours;

- ii. Three hours from the closure of the board meeting in which the decision pertaining to the event or information has been taken, if 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;

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.

Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.

- i. 12 (twelve) hours from the occurrence of the event or information if it emanates from within the Company. The Company shall follow the guidelines as mentioned in Clause 4.2 of this Policy.
- ii. 24 (twenty four) hours from the occurrence of the event or information if it does not emanate from within the Company.

4.2.5 Disclosure with respect to events for which timelines have been specified in Part A of Schedule III to the Listing Regulations, shall be made within such timelines. In case the Company discloses any event or information after the timelines specified under the Listing Regulations, it shall, along with such disclosure provide the explanation for the delay.

4.2.6 The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

4.2.7 Provided that if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of subparagraph 8 of paragraph B of Part A of Schedule III to the Listing Regulations, is maintained in the structured digital database of the listed entity in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the Company.

4.3 General Obligations

4.3.1 In terms of Regulation 30(5), the Board of Directors have authorized the Key Managerial Personnel of the Company i.e. the Managing Director, the Chief Financial Officer (CFO) and the Company Secretary (CS) as the "Authorized Persons" for the purpose of determining materiality of an event or information as per the guidelines contained under this Policy and making disclosure to the stock exchanges as well as on the website of the Company.

4.3.2 The role and responsibilities of the Authorised Persons shall be –

- i. To review and assess the materiality of an event that may qualify as 'material' and may require disclosure, on the basis of prevailing facts and circumstances. The disclosure shall be finalised in consultation with the Managing Director.
- ii. To confirm or deny any reported event or information to the stock exchanges. Such communication shall be finalized in consultation with the Managing Director.

- iii. To make required disclosures to the stock exchanges within the stipulated time of actual occurrence of an event or information, after ascertaining the facts.
- iv. To ensure that the event(s) and / or information which have been disclosed to the stock exchanges, is disclosed on the Company's website and the same is hosted on the website for a minimum period of five years and thereafter, as per the archival policy of the Company.
- v. To ensure specific and adequate reply to all queries raised by the stock exchanges with respect to the event and / or information disclosed.
- vi. 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 such disclosure of such communication is prohibited by such authority.

4.4 Process of disclosure of material information:

In case, any functional head of the Company becomes aware of any material events / information about the Company, he / she will promptly inform about the same to Company Secretary / Chief Financial Officer. If the said event / information is covered under Para A of Part A of Schedule III to the Listing Regulations, the Authorised Persons will take requisite measures to disseminate the information to the stock exchanges, where the equity shares of the Company are listed within the time period stipulated in the Listing Regulations.

If the event / information is covered under Para B, C or D of Part A of Schedule III to the Listing Regulations, then the Company Secretary / Chief Financial Officer would determine, whether the said event / information is material and required to be disclosed to stock exchanges or not in terms of the criteria laid down in this Policy read with the Listing Regulations. Upon determining the materiality of events, if the events / information is material, Company Secretary / Chief Financial Officer, after obtaining the approval of Managing Director, will make the adequate disclosure of said event / information to stock exchanges as per the time frame stipulated in Listing Regulations.

5 WEBSITE DISCLOSURE AND ARCHIVAL:

The Company shall upload all the communications sent to the Stock Exchanges under Regulation 30 of Listing Regulations and this Policy on its official website viz. www.wardwizardfoods.com and shall continue to host such communication on its website for a minimum period of 5 years.

Communication sent to stock exchanges with regard to further developments on the events / information as disclosed shall also be updated on the Company's website simultaneously.

6 REVIEW AND AMENDMENT IN LAW

This Policy shall be reviewed by the Board of Directors of the Company at least once in two years or at a lesser frequency as the Board may decide or upon any changes required in the Policy on account of regulatory amendments.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. will prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

7 DISSEMINATION OF POLICY

This Policy and every subsequent modification, alteration or amendment made thereto, shall be promptly disclosed on the Company's website at www.wardwizardfoods.com.

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