

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

OBJECTIVE

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Pokarna Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

LEGAL FRAMEWORK

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), with respect to disclosure of material events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the “Policy for Determination of Materiality of Events or Information”. This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR Amendments”) and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 (“SEBI Disclosure Circular”).

This Policy is applicable to the Company with effect from December 1, 2015, and the amended Policy is applicable to the Company w.e.f. July 14, 2023.

OBJECTIVE

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 the BSE Limited and the National Stock Exchange of India Limited (collectively, the “Stock Exchanges”). All provisions of Regulation 30 read with Schedule III of the LODR Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

INTRODUCTION

- (a) “Act” means the Companies Act, 2013 (and the Rules).
- (b) “Board of Directors” means the Board of Directors of the Company.
- (c) “Company” means Pokarna Limited.

- (d) “Key Managerial Personnel” means key managerial personnel as defined under sub - section (51) of section 2 of the Companies Act, 2013.
- (e) “Listing Regulations” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (f) “Policy” means this policy, as amended from time to time.
- (g) “SEBI” means the Securities and Exchange Board of India.
- (h) “Rules” means the rules made under the Companies Act, 2013.
- (i) “Stock Exchange(s)” means, Stock Exchange, where the Equity shares of the Company are Listed

EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR 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 the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY

The Company shall disclose all such material events pertaining to itself or its subsidiary (ies), specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality.

2. MEASURES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

Information should be regarded as “material” if there is a substantial likelihood that a reasonable investor would consider such information important in making a decision to buy, sell, or hold a security or where such information is likely to have a significant effect on the market price of the security. Either positive or negative information may be material.

Further an information or event may also be regarded as material, if whose value or the expected impact in terms of value, exceeds the thresholds prescribed under the Listing regulations. Materiality will be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event.

THRESHOLDS PRESCRIBED UNDER THE LISTING REGULATIONS.

MATERIALITY

Quantitative criteria would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact, whose value or the expected impact in terms of value, exceeds the lower of the following thresholds.

- (a) 2% of turnover, as per the last audited consolidated financial statements of the listed entity.
- (b) 2% 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.
- (c) 5% of the average of the absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.

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 Directors of Company, the event / information is considered material.

GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION & ITS TIMELY DISCLOSURE

The occurrence of material events/information could be either emanating from within or outside the listed entity by the Company's own accord or for reasons not in the hands of the Company. It can be categorized as under: (a) depends upon the stage of discussion, negotiation or approval; and (b) in case of natural calamities disrupting operations etc., it would depend upon the timing when the company became aware of the event/information. In respect of the events under 7(a), the events/information can be said to have occurred upon receipt of approval of the Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval. Approvals other than final approvals, such as in-principle approvals, exploratory approvals etc. will not require disclosure under this Code. In respect of the events under 7(b), the events/information can be said to have occurred when the Company becomes aware of the events/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. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY

The Company shall disclose major developments that are 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 Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

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

A Disclosure Committee comprising of the following KMPs and officers of the Company are hereby authorized for 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 Exchanges within the applicable timelines (“Authorized Person(s)”):

1. Managing Director
2. Chief Financial Officer
3. Company Secretary and Compliance Officer

The Company Secretary and Chief Financial Officer will be the custodian of the disclosure process. The contact details are: _____

Email: - companysecretary@Pokarna.com, and telephone: - 91 9505044224

Email:- vishy@pokarna.com and telephone: - 91 9505044224

The Company's Key Managerial Personnel shall jointly and/ or severally determine materiality of information/ events and dissemination of the same as covered by this Policy. The Company's Key Managerial Personnel or his/her designee, in each case, pre-approve any deviation from the policies and procedures outlined in this Policy, the Company Secretary will be the single point of contact for the above signatories who are authorized to determine materiality and make distributions covered by this Policy.

The Senior Management Personnel and such other persons, as determined by the authorized persons shall be relevant employees for the purpose of this policy, to identify potential event or information pertaining to their functional roles and report the same to the Key Managerial Personnel.

Board of Directors, CEO, CFO, Subsidiary and all other words not defined herein shall have the same meaning as assigned to those terms under the Listing Regulations, Companies Act, 2013 or any other applicable laws or regulations, as the case may be.

EVENTS/INFORMATION WITH RESPECT TO SUBSIDIARIES

The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

TIMELINES FOR DISCLOSURE

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and, in any case, not later than the following:

- i. For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;
 - ii. For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;
 - iii. For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty-four) hours from the occurrence of the event or information.
- a) In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.
 - b) 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.

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.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations/ Act 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.

DISSEMINATION OF POLICY

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

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