

Pavna Industries Limited

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION

1. TITLE & OBJECTIVE:

- a) This policy is titled as “**Pavna Industries Policy on Determination of Materiality of Events/Information**”.

The Policy is framed in accordance with the requirements of the Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- b) The Objective of the Policy is to determine the materiality of events or information relating to the Company and to ensure that such information is adequately disseminated in pursuance of the said Regulations and to provide an overall governance framework for such determination of materiality, and
- c) To assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

2. APPLICABILITY

This Policy shall be applicable to all the material events/information relating to the Company and its subsidiaries as and when they fall under the criteria as mentioned in Clause 5 of this Policy.

This Policy shall be read with Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company to lay down the procedures and practical guidelines that would be followed by the Company for the consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive Information.

3. DEFINITION

In this Policy, unless the context otherwise requires:

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**” or “**Board**” shall mean the Board of Directors of Pavna Industries Ltd., as constituted from time to time.

“**Company**” shall mean Pavna Industries Ltd.

“Key Managerial Personnel” or “KMP” mean Key Managerial Personnel as defined in sub-section (51) of Section 2 of the Act.

“Listing Agreement” shall mean an agreement that is to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Material Event” or “Material Information” shall mean such event or information as set put in the Schedule or as may be determined in terms of Clause 5 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly;

“Policy” shall mean this Policy for determining Materiality of events or information as amended from time to time;

“Regulations” shall mean Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof;

“Relevant Employees” The Senior Management Personnel and such other persons, as determined by the authorized Key Managerial Personnel 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 Authorized Key Managerial Personnel.

“Schedule” shall mean Schedule III of the Regulations.

“Senior Management” shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

Any other term not defined herein shall have the same meaning as defined in the Act, Listing Agreement, Regulations or any other applicable laws or regulations to the extent applicable to the Company.

4. AUTHORITY TO DETERMINE MATERIALITY OF EVENTS

The Chief Financial Officer and Company Secretary, or any other person as the Board may advise from time to time, are jointly authorized to determine materiality of an event/ information and to make disclosures to Stock Exchange(s). The Contact details of such authorized personnel shall be disclosed to the stock exchange(s) and also available on the Company’s website.

Whenever the relevant employees of the Company become aware of any event/information as outlined in this Policy, or as soon as or ought to have been reasonably come into possession of the information in course of performance of their duties, they shall identify potential material event or information in light of the Regulations read with this Policy and report the same to the above referred authorized persons, for the purpose of determining the materiality of the said event or information.

5. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

- I. Certain events/ information is *per se* Material as defined in the Regulations and Company shall make disclosure of such events as specified in Para A of Part A of Schedule III of the Regulations, without any application of test of materiality.
- II. Furthermore, the Company shall make disclosure of events specified in Para B of Part A of Schedule III of the Regulations, subject to the application of the guidelines for determining materiality of an event/information.

The following criteria will be applicable for determining materiality of event or information:

Quantitative Criteria:

The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

1. two percent of turnover, as per the last audited consolidated financial statements of the Company;
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;
3. 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;

Qualitative Criteria: would mean:

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already made available publicly;
- 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;

In case where the Quantitative and Qualitative criteria specified above is not applicable, an event or information may be treated as being material if in the opinion of the Board, the event or information is considered material.

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 in 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, as stated under Para C of Part A of Schedule III of the Regulations, be disclosed as may be advised from the Board from time to time.

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

6. GUIDANCE ON WHEN AN EVENT/INFORMATION CAN BE SAID TO HAVE OCCURRED

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 control 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.

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.

7. DISCLOSURE OF EVENTS OR INFORMATION

- The Company shall first disclose to the stock exchange(s), on which the securities of the Company are listed, all events or information which are material in terms of the provisions of the applicable provisions of the Regulations 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.
- Thereafter, the same shall be uploaded on the corporate website of the Company.
- Disclosures with respect to events for which timelines have been specified in Schedule III to the Regulations shall be made within such timelines.
- In case the disclosure is made after the timelines specified under the Regulations, the Company shall, along with such disclosure provide the explanation for the delay.
- The Company shall make disclosures updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed, with relevant explanations. The Company shall also provide specific and adequate reply to all queries raised by the Stock Exchanges with respect to any event/information. The Company may on its own initiative, confirm or deny any reported event or information to the Stock Exchanges.

8. COMMUNICATION AND DISSEMINATION OF THE POLICY

This Policy shall be posted on the website of the Company viz. <https://www.pavna.in/>.

9. AMENDMENTS

The Board may subject to 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.

In case any provision of this Policy is contrary to or inconsistent with the provisions of the Regulations and/or any other applicable law for time being in force, the latter shall prevail. Any subsequent amendment/modification in the Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy

A. Events which shall be mandatorily disclosed without any further consideration of the guidelines for materiality:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or 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 of the Company or any other restructuring.

Explanation. - '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 five per cent 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 made under clause (ii) of the Explanation to this sub-paragraph and such change exceeds two 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 the Regulations.

Explanation (2) - For the purpose of this sub-paragraph, “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 of the Regulations.

Explanation (3) - For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Act.

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 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 a dividend with reasons therefor;
 - 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 of reserves 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 which may be to subscribed 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 they impact 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 Regulations.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that Company shall or shall not act in a particular manner.”

- 6. Fraud or 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, an entity 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, and 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 Company 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.
 - (ia). 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 is 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 disclosures 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:
 - (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 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 meets 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:

16. The following events in relation to the corporate insolvency resolution process (CIRP) of the Company as a 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;
 - 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 personnel, 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.

- 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 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 Act; or
- (c) investigation under the provisions of Chapter XIV of the Act; 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 Act.”
22. Such other events as may be provided in Para A of Part A of Schedule III of Regulations.

B. List of 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 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 the 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 divisions of the Company due to a 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) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Frauds or 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 a guarantees or an 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 Company may make disclosures of event/information as specified by the Board from time to time.

E. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/ closed, with relevant explanations.

F. The Company shall disclose all events or information with respect to its Material Subsidiaries, if any.

G. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

H. Identification of Material Creditor-. For identification of material creditors, any creditor of the Company shall be considered to be material, if the amount due exceeds ten per cent i.e. 10% of trade payables as per the last audited financial statements of the Company. Disclosure of the outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”) will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

7. Procedural Guidelines for determination of materiality of events/information In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the following is an internal system for reporting any event/ information which may require disclosure so that the event/ information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges. Under the system, all Functional/ Whole Time Directors including Chairman & Managing Director are Key Managerial Personnel (KMP) and responsible for relevant areas of the Company’s operations. All Functional / Whole Time Directors must inform Chairman & Managing Director or Director - Finance of the Company of any event/ information which are material or may possibly be material or of which the KMP is unsure as to its materiality. The event/ information should be reported immediately after a KMP becomes aware of it for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation.

On receipt of communication of material/ potential material event/ information, Chairman & Managing Director or Director – Finance along with the Company Secretary will:

- i. Review event/ information and to take whatever steps necessary to verify its accuracy;
- ii. Apply the quantitative criteria where by materiality shall be come applicable to an event / information where the value involved or the impact exceeds 10% of the annual consolidated turnover; or 10% of the net worth on the basis of the latest audited financial statements of the Company.
- iii. Assess whether the event/ information is required to be disclosed to the Stock Exchanges under the Listing Regulations/ in terms of “Clause 5– Criteria for determination of materiality of events/ information” of this Policy.
- iv. Review updating material developments on a regular basis, till such time the event is resolved/ closed.
- v. Review all events or information with respect to subsidiaries which are material for the listed entity.
- vi. Review specific and adequate reply to queries raised by stock exchange(s) with respect to any events or information.
- vii. Apply the Guidance on when an event/ information has occurred.
- viii. Refer matter for external legal advice where they are not certain about materiality of event/ information.

The procedure to be followed in relation to the disclosure/ announcement of material event/ information is as follows:

- a. Prepare draft announcement to the Stock Exchanges: If the event/ information is material, the Strategic Business Unit/ Entity Heads of the Company & Heads of Subsidiaries will prepare draft announcement to

the Stock Exchanges which is factual and expressed in clear manner and obtain approval of Chairman & Managing Director or Director - Finance of the Company and submit the announcement to the Company Secretary.

b. Make Announcements: The Compliance Officer on behalf of the Company will make or arrange for making the announcement with the Stock Exchanges as under:

i. as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of event or information covered under “Clause 6 –Disclosure of events or information” of this Policy.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay.

ii. Provided further that disclosure with respect to events specified in sub-clause 4 of Clause 6.A. of this Policy shall be made within thirty (30) minutes of the conclusion of the board meeting.

c. Post announcement on website: After making the announcement with the Stock Exchanges, the Company Secretary will arrange to place it on the website of the Company. Such disclosures shall be hosted on the website of the listed entity for a minimum period of five (5) years and thereafter as per the archival policy of the listed entity.

8. Communication of this Policy

The Policy shall come into force with immediate effect. A copy of this Policy shall be circulated to the Board, Senior Management Personnel / Heads of Subsidiaries. All Senior Management Personnel are responsible to report material events or information or possible material events or information in the area of their operation to the concerned functional directors. This Policy shall also be posted on the website of the Company.

9. Effective Date

The Policy as approved by the Board of Directors shall be effective from 10th January, 2024.

10. Website

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 exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five (5) years and, thereafter, as per the archival policy of the Company.

11. Contact Details

Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Company Secretary and Compliance Officer, who is in charge of administering, enforcing and updating this Policy.

Company Secretary and Compliance Officer

Pavna Industries Limited

Vimlanchal Hari Nagar, Aligarh

Uttar Pradesh-202001

Telephone: +91 8006409332

Email: cs@pavnagroup.com

12. Amendment

The Chairman & Managing Director and Director (Finance) and Director (Commercial) are severally authorized to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy.

The Board (including its duly constituted committees wherever permissible), shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.