

BALRAMPUR CHINI MILLS LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

1. 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**”).

The Board shall review, and if found required, may amend this Policy from time to time.

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.

2. Objective

The objective of this Policy is to assist the relevant 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 Personnels 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.

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 **Balrampur Chini Mills Limited**.

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

(e) “**LODR Regulations**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(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(s)**” means BSE Limited and the National Stock Exchange of India 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;

(l) “**Relevant Employee(s)**” shall include employee(s)/ personnel/ heads of various departments/ divisions and functions, KMPs and Senior Management Personnel (SMPs), as recognized by the Company from time to time, as well as the list of employees identified as Designated Persons (DPs) under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”);

All other words and expressions used but not defined in this Policy, shall have the same meaning as assigned to it under the LODR Regulations, the Act, the SEBI Act, 1992 (“**SEBI Act**”), the Securities Contracts (Regulation) Act, 1956 (“**SCRA**”), the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

4. 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.

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 the LODR Regulations (“**Para B Events**”) subject to application of guidelines for materiality, as set out under the LODR 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 percent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or

- b) 2% (two percent) 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. 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 of the Company are hereby severally 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. Chairman and Managing Director
- 2. Chief Financial Officer
- 3. Company Secretary and Compliance Officer

The Authorised Persons shall frame their opinion on a case to case basis, based on specific facts and circumstances while assessing the materiality of events associated with the Company.

Where the Authorized Person(s) as referred above are not certain about materiality of an event/information, they may refer the matter for external legal advice / expert opinion.

Relevant employee(s) will help in identifying potential material events/ information and report the same to the Authorised Person(s) in a prompt manner for the purpose of determining materiality and assist with the implementation of the Policy.

Details of the above referred Authorized Person(s) shall be also disclosed to the Stock Exchange(s) and as well as on the Company's website.

8. 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.

9. 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, and this Policy does not, and shall not, in any manner dilute any of the requirements set out under Regulation 30 read with Schedule III of the LODR Regulations.

10. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the LODR Regulations, as amended from time to time, the LODR Regulations 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.

11. Dissemination of Policy

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

Date of Approval of the Policy: 3rd November, 2015 (with effect from 1st December 2015)

Date of 1st Amendment: 29th April, 2020 (with effect from 6th May 2020)

Date of 2nd Amendment: 5th August, 2023 (with effect from 14th July 2023)