



FIEM INDUSTRIES LIMITED

POLICY FOR DETERMINATION OF MATERIAL INFORMATION

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(To be read with Regulation 30 and Schedule III of Listing Regulations, as amended from time to time)

1. BACKGROUND & LEGAL FRAMEWORK

- 1.1** Adequate and timely disclosure as well as dissemination of information relating to a listed company enables the shareholders and investor community to take informed decision. Hence, listed entities are under great responsibility to make timely and adequate disclosures.
- 1.2** Regulation 4 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") enlists the principles governing disclosures and obligations, the outline is as under:
- 1.2.1** The listed entity shall provide adequate and timely information to stock exchange(s) and investors.
- 1.2.2** The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.
- 1.2.3** Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by investors.
- 1.3** Regulation 30 of SEBI LODR Regulations governs the disclosure of material information / events by a listed company to the Stock Exchanges where securities of the Company are listed. It also provides detailed provisions for all related aspects and guiding principles to determine whether the information / event are material or not. The relevant provisions of Regulation 30 are referred at appropriate place in this Policy.
- 1.4** Regulation 30(1) provides that every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.
- 1.5** *SEBI amended Listing Regulations vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 on June 14th 2023, making several changes. Various changes made in Regulation 30, including Regulation 30(4), which is the governing Regulation of this Policy. Accordingly, this Policy revised to capture the amendments in governing Regulation and revised Policy is effective from August 14, 2023 (the date of approval by the Board).*

2. OBJECTIVE AND SCOPE

- 2.1** Determination of materiality of any event and information about the Company with in scope of Regulation 30 and Schedule III of Listing Regulations and adequate and

timely disclosure to the Stock Exchanges and posting of such events and information on the website of the Company.

3. DEFINITIONS

3.1 “Key Managerial Personnel (KMPs)” means Chairman & Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company.

3.2 “Authorised Key Managerial Personnel” means KMPs authorised by the Board of Directors of the Company under Regulation 30(5) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under Regulation 30. Chairman & Managing Director, Chief Financial Officer and Company Secretary of the Company are authorised KMPs under Regulation 30(5). The contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the website of the Company.

3.3 “Board” means the Board of Directors of the Company.

3.4 “Company” means the “Fiem Industries Limited” / “FIEM”.

3.5 All other words and terms referred herein and not defined herein, shall have the same meaning as defined under the Regulations.

4. DETERMINATION OF MATERIAL INFORMATION / EVENT

4.1 Regulation 30 (as amended) read with Schedule III and Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 provide the basic framework in determination of materiality of an information or event. Relevant clauses of Regulation 30 are referred hereunder:

4.2 Regulation 30(2) provides that events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events.

4.3 Regulation 30(3) The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4).

4.4 Regulation 30(4) provides as under:

- (i) The listed entity shall consider the following criteria for determination of materiality of events/ 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) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
- (1) 2% of turnover, as per the last audited consolidated financial statements of the listed entity;
 - (2) 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;
 - (3) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;

(d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material.

- (ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

Provided that such a policy for determination of materiality shall not dilute any requirement specified under the provisions of these regulations:

Provided further that such a policy for determination of materiality shall assist the relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

4.5 Regulation 30(12) provides that in case where an event occurs or an information is available with the listed entity, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the listed entity is required to make adequate disclosures in regard thereof.

4.6 Regulation 30(13) provides that in case an event or information is required to be disclosed by the listed entity in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

4.7 Considering above provisions and principals, the authorised KMPs of the Company will jointly (CMD with CFO and/or CS) determine which information / events of the company are material information within the meaning of Regulation 30 of SEBI LODR Regulations and would accordingly make disclosure as provided under Regulation.

4.8 Pursuant to the above criteria, the relevant employees [Whole-time Directors (WTDs) and Senior Management Personnel (SMPs)] are enabled to identify any potential material event or information and report the same to the 'Authorised KMPs', mentioned above, to enable them to determine the materiality of the any such event or information and for making the necessary disclosures to the stock exchange(s).

5. DISCLOSURE AND DISSIMINATION OF MATERIAL INFORMATION / EVENT

5.1 Regulation 30(6) provides that the listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- (i) 30 minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- (ii) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- (iii) 24 four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.

Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.

5.2 Regulation 30(7) provides that the listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

5.3 Regulation 30(8) provides that the listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.

5.4 Regulation 30(9) provides that the listed entity shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

5.5 Regulation 30(10) provides that the listed entity shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

5.6 Regulation 30(11) provides that the listed entity may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

5.7 Considering above provisions and principals, the Company Secretary of the Company will make timely and adequate disclosure of material information / events within the meaning of Regulation 30 of Listing Regulations.

6. REVIEW AND AMENDMENT OF THE POLICY

- 6.1 In case of any subsequent changes in the Listing Regulation or any other applicable rules or regulations (collectively 'Regulations') which makes any of the provisions in the Policy inconsistent with the Regulation, the provisions of the Regulation would prevail over the Policy with effect from their enforcement and the Policy would be revised in due course of time to make it consistent with the amended laws.
- 6.2 This Policy may be reviewed as and when any changes are to be incorporated in the Policy due to change in Regulations or as may be felt appropriate by the Company. Any changes or modification on the Policy would be approved by the Board of Directors of the Company. However, typographical corrections and minor incidental changes may be carried out by authorised KMPs of the Company.

Annexure- 1**SCHEDULE- III****PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED
SECURITIES – equity Shares
[See Regulation 30]**

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation(30):

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation (1) - For the purpose of this sub-paragraph, the word '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 listed entity 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 sub-clause (a) of 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.

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 listed entity; 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.

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 Companies Act, 2013.

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 Rating(s).
4. **Outcome of Meetings of the board of directors:** The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, 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 dividend with reasons thereof;
 - (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 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 to subscribe to;
 - (g) short particulars of any other alterations of capital, including calls;
 - (h) financial results;
 - (i) decision on voluntary delisting by the listed entity 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 it impacts management and control of the listed entity), 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 listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity 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 listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity 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 listed entity or they are required to be disclosed in terms of any other provisions of these 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 listed entity shall or shall not act in a particular manner.

6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, 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, subsidiary shall mean default which has or may have an impact on the listed entity.

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 listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities 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 listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
 - (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 listed entities 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 listed entities within seven days from the date that such resignation comes into effect.
- 7D. In case the Managing Director or Chief Executive Officer of the listed entity 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 listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
- 15(a). Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the listed entity 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:

The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.

16. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code: **N.A.**
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 listed entities:
 - (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 listed entity 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 a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.

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 listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
- (a) search or seizure; or
 - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
 - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; 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 listed entity, 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 listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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 listed entity, quantifiable in monetary terms to the extent possible.

- 21.** Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

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 listed entity:
 - (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 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 division of the listed entity due to 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 listed entity.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or 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 listed entity may make disclosures of event/information as specified by the Board from time to time.