



Policy for Determining Materiality of Events and Information for Disclosures

Zodiac Clothing Company Limited

CIN: L17100MH1984PLC033143

Regd Off: Nyloc House,
254, D-2, Dr. Annie Besant Road,
Worli, Mumbai -400 098

Maharashtra, INDIA

Tel: +91 22 6667 7000

Fax: +91 22 6667 7279

Website: www.zodiaconline.com

**POLICY FOR DETERMINING MATERIALITY OF EVENTS AND INFORMATION
FOR DISCLOSURES TO STOCK EXCHANGE(S).**

❖ **INTRODUCTION:**

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed entity shall make disclosures of events or information to Stock Exchange(s) which in the opinion of the Board of Directors of the listed entity are material. The listed entity is accordingly required to frame a policy for determination of materiality of events/information under Regulation 30(4)(ii) of the SEBI (LODR) Regulations, 2015 for the purpose of adequate, accurate, explicit and timely disclosures of the same to the Stock Exchanges.

Accordingly, the Board of Directors of the Company is kindly requested to consider and if thought fit, approve and adopt the following Policy for Determination of Materiality of Events/Information to be disclosed to the Stock Exchange(s) from time to time:

❖ **SCOPE, OBJECTIVE AND APPLICABILITY OF THE POLICY:**

The primary objective of the Policy is to determine the events or information, which in the opinion of the Board of Directors is material, considering the criteria mentioned in the Regulation 30(4)(i) of the SEBI LODR and its applicability to all disclosures and communication of Material Events or Information by the Company.

SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI LODR) divides the event/s that need to be disclosed broadly into the following categories:

1. Events specified in Annexure A are deemed to be material events and the Company shall make disclosure of such events.
2. Events specified in Annexure B shall require disclosure based on application of guidelines for materiality.
3. Events specified in Annexure C shall require disclosure if the event or information or any major development is likely to affect business.

Words/Expressions used but not defined in the Policy shall have the same meaning as assigned to them in the SEBI-LODR or any modification thereto.

❖ **DEFINITIONS:**

“**Board of Directors**” means the Board of Directors of Zodiac Clothing Company Limited as constituted from time to time.

“**Company**” means Zodiac Clothing Company Limited

“**Key Managerial Personnel**” (KMP) means and includes Chairman, Whole-time Directors and Company Secretary of the Company, in accordance with Section 2(51) of the Companies

Act, 2013 who may be authorized (jointly and/or severally) to determine the material events or information for disclosing to Stock Exchanges from time to time and for making disclosures to Stock Exchanges under the Regulation 30 of SEBI-LODR.

“**Policy**” shall mean this Policy for determining materiality of events/information for disclosure to Stock Exchanges and as amended from time to time.

“**Mainstream Media**” shall include print or electronic mode of the following:

- i. Newspapers registered with the Registrar of Newspapers for India;
- ii. News channels permitted by Ministry of Information and Broadcasting under Government of India;
- iii. Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
- iv. Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India.

“**SEBI - LODR**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

❖ **CRITERIA FOR DETERMINING MATERIALITY OF CERTAIN EVENTS / INFORMATION:**

The Regulations has specified certain events which are material in accordance with the criteria mentioned under Annexure A and Annexure B to this Policy requiring disclosures to be made not later than the stated timelines. The following criterion/ thresholds shall be considered for determination of materiality of events and information:

- i) the omission of an event / information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii) 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;
- iii) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - **two percent of turnover**, as per the last audited consolidated financial statements of the listed entity;
 - **two percent 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;
 - **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 listed entity.

- iv) 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.

❖ **TIMELINE FOR DISCLOSURE :**

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. thirty 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. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity.
- iii. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating within the listed entity.

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

In case the disclosure is made after the timelines specified under this regulation, the Company shall, along with such disclosure provide the explanation for such delay.

❖ **REQUIREMENT TO CONFIRM, DENY OR CLARIFY ANY REPORTED EVENT OR INFORMATION IN THE MAINSTREAM MEDIA**

The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s)

- Provided that the top 100 listed entities (with effect from October 1, 2023) and thereafter the top 250 listed entities (with effect from April 1, 2024) shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than twenty four hours from the reporting of the event or information:

Provided further that if the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

❖ **GUIDELINES FOR COMMUNICATION**

In case an event or information is required to be disclosed by the Company in terms of the provisions of this regulation, 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 disclosure of such communication is prohibited by such authority.

❖ **DISCLOSURE REQUIREMENTS FOR CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES:**

All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a Company or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III SEBI LODR Regulations, shall inform the Company about the agreement to which Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements.

❖ **UPDATION OF COMPANY'S WEBSITE AND DISCLOSURES TO STOCK EXCHANGE(S)**

The Company shall update all disclosures of events made under the Policy to the Stock Exchange(s) on its website and such disclosures shall be continued to be hosted on the website of the Company for a minimum period of five years and thereafter as per the Archival Policy of the Company, as disclosed on the website.

❖ **DISCLOSURE OF EVENTS / INFORMATION ON SUBSIDIARIES**

The Company shall disclose such events/information about the subsidiary company/ies which are considered material in nature for the Company by the Board/ Competent Authority.

Annexure “A”

Events which shall be disclosed without any application 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 listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation (1):- For this purpose, the word 'Acquisition' shall mean, -

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, 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 Company 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/dispached;
 - 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).
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.
6. 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 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.
7. 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.
8. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.

- 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.
 - 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).
9. Appointment or discontinuation of share transfer agent.
 10. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions
 11. One time settlement with a bank.
 12. winding-up petition filed by any party / creditors.
 13. 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.
 14. Proceedings of Annual and extraordinary general meetings of the Company.
 15. Amendments to Memorandum and Articles of Association of the Company, in brief.
 16. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;
 17. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these 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.
 18. 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 matters stated in the SEBI regulations.
 19. 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.

“Annexure B”

Events which shall be disclosed upon application of the guidelines for the 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:
 - arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - adoption of new line(s) of business; or
 - 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 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 listed entity which has or may have an impact on the Company.
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.

“Annexure 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 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.

Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by SEBI from time to time.

❖ REVIEW OF POLICY:

This Policy shall be subject to review as may be deemed necessary and in accordance with any statutory / regulatory requirements.

The amended policy shall be effective from July 15, 2023.