



Ester Industries Limited

**Policy on Determination of Materiality for Disclosure of
Events or Information**

1. INTRODUCTION

This Policy on Determination of Materiality of Events or Information of Ester Industries Limited (“Company”) has been framed pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as “Listing Regulations”), for determination of materiality, based on criteria specified in Regulation 30 of Listing Regulations.

This Policy is aimed at providing guidelines to the management of the Company, to determine the materiality of events or information, which ensure timely and adequate dissemination of information to the Stock Exchanges.

2. DEFINITIONS

- (a) **“Act”** means the Companies Act, 2013 (and the Rules made thereunder) and the Companies Act, 1956 to the extent applicable.
- (b) **“Board of Directors”** means the Board of Directors of the Company.
- (c) **“Key Managerial Personnel (KMPs)”** means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- (d) **“Net Worth”** means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- (e) **“Policy”** means this policy, as amended from time to time.
- (f) **“Stock Exchange”** means Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.
- (g) **“Turnover”** means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.
- (h) **“Promoter and Promoter Group”** shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (i) **“Subsidiary”** means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

The words and phrases used in this Policy and not defined here shall derive their meaning from the Applicable Law.

3. GUIDELINES FOR ASSESSING MATERIALITY

A. In order to determine whether a particular event/information is material in nature for disclosure to the stock exchanges, the Company shall consider the criteria(s) specified below:

- (a) the omission of an event or information, which is likely to result in a discontinuity or alteration of an event or information already available publicly; or
- (b) the omission of an event or information, which 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:
 - i. two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - ii. 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;
 - iii. 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.

Accordingly, any transaction exceeding the lower of i, ii or iii above, with an annual impact in value, will be considered for the above purpose.

- (d) In case where the criteria specified in above sub-clauses (a), (b), and (c) is not applicable, an event/information may be treated as being material if in the opinion of the Board of directors, the event / information is considered material.
- (e) events or information which are deemed material without application of guidelines for materiality, as specified under the Listing Regulations (as amended from time to time).

B. For the avoidance of doubt, events listed in Para A – Part A of Schedule III of Listing Regulations shall be disclosed without application of materiality criteria defined in the Listing Regulations and events or information specified in Para B of Part A of Schedule III of Listing Regulations will be disclosed based on application of materiality criteria.

C. In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of the Listing Regulations, 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.

D. The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this Policy 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 Company;
- iii. twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company

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.

In case the disclosure is made after the stipulated timelines, the Company shall provide the explanation for the delay, along with such disclosure.

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 or closed

4. AUTHORISED PERSON FOR DISCLOSURE

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and making disclosures to Stock Exchange (Authorized Person)-

- i. Chairman
- ii. Whole-Time Director
- iii. Chief Financial Officer
- iv. Company Secretary

5. OBLIGATIONS OF INTERNAL STAKEHOLDERS AND AUTHORIZED PERSON FOR DISCLOSURE

- i. Any event or information, including the information forming part of Para A and Para B of Part A of Schedule III to the Policy shall be forthwith informed to the Authorized Person upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.

- ii. The Authorized Person will then ascertain the materiality of such events or information based on the above guidelines.
- iii. On completion of the assessment, the Authorized Person shall, if required, make appropriate disclosures to the Stock Exchanges.

6. INTERPRETATION

In any circumstances where the terms of this policy differ from any existing or newly enacted law, rule, Regulation or standard governing the Company, the law, rule, Regulation or standard will take precedence over this policy and procedures until this policy is changed to conform to the law, rule, Regulation or standard.

7. 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 this 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.

The Policy came into effect on 10th February, 2016 and was last amended on 12th July, 2023.