

POLICY ON CRITERIA FOR
DETERMINING
MATERIALITY OF EVENT
OF
HYREFOX CONSULTANTS
LIMITED

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

OBJECTIVE

This Policy is for determining materiality of events ("the Policy") of Hyrefox Consultants Limited ("the Company") is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**").

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

DEFINITION

"**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**" means the Board of Directors of the Company, as constituted from time to time.

"**Key Managerial Personnel**" mean key managerial personnel as defined in sub- section (51) of section 2 of the Companies Act, 2013;

"**Listing Agreement**" shall mean an agreement that is to be entered into between a recognized stock exchange and the Company pursuant to SEBI (Listing Obligations and Disclosure Requirements), 2015

"**Material Event**" or "**Material Information**" shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy. In the Policy, The words, "material" and "materiality" shall be construed accordingly.

"**Policy**" means this Policy on criteria for determining Materiality of events or information and as maybe amended from time to time.

"**Regulations**" mean LODR Regulations including any modifications, clarifications, circulars or re-enactment thereof

"**Schedule**" means a Schedule III of LODR Regulations.

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

Events / information shall be considered as material if it meets any of the following criteria:

- a. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already 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;
- 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. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - 2. 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;
 - 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 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.

DISCLOSURES OF EVENTS OR INFORMATION

A: Para A of Part A of Schedule III of the LODR Regulations provides that those events which have been incorporated therein shall be considered as material without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) and accordingly disseminated. In respect of such events, the Company shall have no discretion in deciding whether they need to be reported to the Exchanges where the securities of the Company are listed. Such events have to be reported invariably to all the Exchanges where the securities of the Company are listed as being material.

The list of events covered under the above part A is given hereunder:

- 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. - For the purpose of this sub-paragraph, 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 20% (Twenty 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 5% (Five 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

Provided that acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last disclosure made under this proviso exceeding two per cent of the total shareholding or voting rights in the said unlisted company shall be disclosed on a quarterly basis in the format as may be specified
- 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 Ratings or Revision in credit rating(s);

- 4) Outcome of Meetings of the Board of Directors: The listed entity shall disclose to the Exchange(s), the outcome of meetings of the Board of Directors, held to consider the following:
 - a. dividends 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 including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method;
 - 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 Company 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 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.
- 6) 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.
- 7) Fraud/defaults by listed entity, its Promoter, Directors, 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.), Auditor and Compliance Officer;
- 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 listed entity;

- 14) Proceedings of Annual and extraordinary general meetings of the listed entity;
- 15) Amendments to memorandum and articles of association of Company, in brief;
- 16) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investor.
- 17) Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called),
- 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.
- 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
- 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,
- 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: Para B of part A of Schedule III of Listing Regulations lists out the events which are to be disclosed by the company upon application of the guidelines for determination of materiality as provided under clause 3 of this policy. The events falling within para-B of part A are given hereunder:

- 1) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
- 2) Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or 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) Litigation(s) / dispute(s) / regulatory action(s) with impact;
- 9) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the listed entity;
- 10) Options to purchase securities including any ESOP/ESPS Scheme;
- 11) Giving of guarantees or indemnity or becoming a surety 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:
- 14) 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.

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's Policy on Preservation of Documents and Archival Policy.

AUTHORITY TO KEY MANAGERIAL PERSONNEL

The Managing Director, Chief Executive Officer and Chief Financial Officer of the Company shall severally have the authority to determine materiality of any event or information and make the disclosures of such material event or information to stock exchange(s).

Company Secretary and Compliance officer of the Company shall have the authority of making the disclosures of such material event or information to stock exchange(s), subject to the provisions of this Policy.

As required by the LODR Regulations, the Company shall provide to the stock exchange(s), the contact details of the above-named persons and update the same from time to time. Their details shall also be provided on the Company's website.

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.

HyreFox Consultants Limited
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Director/Authorised Signatory