

STEL Holdings Limited

Policy For Determining Materiality of Events

I. Background:

Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) requires the Company to frame a policy for determination of materiality of an event/information specified in Para B of Part A of Schedule III of the SEBI Listing Regulations, based on the criteria specified in the said Regulation for disclosure to the Stock Exchanges and hosting it on the website of the Company. The Company is required to disclose an event/ information in a timely and appropriate manner by applying the criteria for assessing materiality specified in this policy. Event/information required to be disclosed by the Company based on the materiality criteria are specified in **Annexure** to this Policy.

II. Criteria for determining Materiality of events and information:

Materiality must be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information.

The Company shall consider the following criteria for determination of materiality of event/information specified in **Annexure** to this policy as and when they occur.

- A. Where the omission of an event/ information, is likely to result in:
- a) discontinuity or alteration of event/ information already available publicly; or
 - b) a significant market reaction if the said omission came to light at a later date.

B. Materiality Thresholds:

Where it would be difficult to report the events/information based on criteria as stated in clause A above, the same may be considered as material for disclosure, upon meeting materiality thresholds as mentioned herein below:

The omission of such 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;

- C. In case where criteria specified under above-mentioned clauses (A) and (B) are not applicable, an event or information may be treated as material if in the opinion of the Board of Directors of the Company, the event / information is material and ought to be disclosed.
- D. Events/information with respect to any subsidiary of the Company would be considered material for the Company if the value or expected impact of the event/ information on the Company in terms of value exceeds the materiality thresholds described in clause B above.
- E. Events / information specified in Para A of Part A of Schedule III of the Listing Regulations shall be disclosed without application of materiality guidelines.

III. Guidance on Timing of Occurrence of an Event or Information for Onward Disclosures:

As prescribed under Regulation 30(6) of the SEBI Listing Regulations, all events or information which are material as determined under this Policy shall be disclosed to the stock exchange(s), as soon as reasonably possible and in any case not later than:

- a. 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;
- b. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c. twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

The disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the SEBI Listing Regulations, shall be made within such timelines:

In case the disclosure is made after the timelines specified under the SEBI Listing Regulation, then, along with such disclosure, Company shall provide the explanation for the delay.

In this regard, the Company shall evaluate the event / information to when it can be said to have occurred, depending upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc, the answer to the above question would depend upon the timing when the Company becomes aware of the event/information.

The events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company becomes aware of the event or comes into possession of the information in the course of the performance of his duties. Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Company.

Explanation:

'Officer' under the Companies Act, 2013 includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act.

'Key managerial personnel' for the purpose of this policy shall mean Whole Time Director, the Chief Financial Officer and the Company Secretary.

IV. Authority to determine Materiality:

Materiality must be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information in the **Annexure** to the Policy.

The Whole Time Director and the Chief Financial Officer of the Company ('**Authorised Persons**') are jointly authorized to determine the materiality of event/information based on the above criteria specified in Clause II.

V. Disclosure Process:

The relevant employees who become aware of event/information as stated in **Annexure** to the policy shall forthwith inform to the Authorized Persons upon occurrence of such event/information, which exceeds the materiality threshold as mentioned in clause II (B) with adequate supporting data/information.

Once the applicable event or information is identified to be disclosed to the Stock Exchanges under this Policy, the Whole Time Director, Chief Financial Officer, Company Secretary are severally authorized to make the disclosure of material event/information to the Stock Exchanges.

Any event/information required to be disclosed under this policy shall be disclosed in the format prescribed by SEBI through its Circulars issued from time to time.

Subsequent to the disclosure to the Stock exchanges, material event/information should be hosted on the website of the Company.

VI. Modification of Policy:

The Authorised Persons may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors.

In case of any amendments to the SEBI Listing Regulations which makes any of the provisions in the Policy inconsistent, the provisions of the SEBI Listing Regulations shall prevail. Any amendments to the SEBI Listing Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy.

VII. Miscellaneous:

The words and expressions used but not defined herein shall have the same meaning as assigned to those words and expressions under the SEBI Listing Regulations, the Companies Act, 2013 or any other applicable laws or regulations, as the case may be.

Annexure

Events which shall be disclosed upon application of materiality thresholds as set out above:

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:
 - (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 Company 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. (This disclosure will also be required in respect of any litigation(s) or dispute(s) in which Subsidiary is a party and the outcome of which can reasonably be expected to have an impact on the Company).
9. Frauds or defaults by employees of the Company 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.

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.

VERSION HISTORY

Version	Approved by	Approval Date	Effective Date	Reason for modification
1.	Board of Directors	2016	-	-
2.	Board of Directors	July 30,2024	July 30,2024	For covering the amendments as per SEBI circular dated July 13,2023 and subsequent modification in LODR.