



## **PSP PROJECTS LIMITED**

### **POLICY FOR DETERMINATION OF MATERIALITY**

#### **I. PREAMBLE & APPLICABILITY:**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) requires every Listed Company to disclose events or information which, in the opinion of the Board of Directors of a Company are material.

In this context, the following policy has been framed by the Board of Directors (“Board”) of PSP Projects Limited (“Company”) with the objective of determining materiality of events.

1. Regulation 30 of the Regulations mandates disclosure of all deemed material events to the Stock Exchanges. These events have been specified in Para A of Part A of Schedule III of the Regulations and shall be disclosed as applicable from time-to-time.
2. For disclosure of certain events (as specified in Para B of Part A of Schedule III) to the Stock Exchanges the following criteria shall be considered by the Board for determining whether the events are material or not:-
  - 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. If in the opinion of the Board of Directors, the event / information is considered material.

An illustrative list of events / information which shall be disclosed to the stock exchanges without any application of the guidelines for materiality is attached as **Annexure I**.

The events / information which shall be disclosed upon application of materiality guidelines listed in this Policy is attached as **Annexure II**.

#### **II. GUIDANCE ON OCCURRENCE OF EVENT/AVAILABILITY OF INFORMATION:**

- i. The timing of occurrence of an event and/or availability of information has to be decided on a case to case basis.
- ii. Events specified in the Annexure II to the policy would be considered material if the impact of the event, if measured
  - (a) exceeds ten per cent of the consolidated gross turnover, or

(b) exceeds ten per cent of the consolidated net worth;  
whichever is lower.\*

- iii. In case of natural calamities, disruptions etc. the events/ information can be said to have occurred when the Company becomes aware of the information.
- iv. In matters which would depend on the stage of discussion, negotiation or approval, the events/information can be said to have occurred upon receipt of approval by the Board of Directors or after receipt of approval of the Board of Directors and shareholders, as the case may be.

*\*The above thresholds shall be determined on the basis of the last annual audited consolidated financial statements of the Company.*

### III. AUTHORISATION FOR DETERMINATION OF MATERIALITY OF EVENT OR TRANSACTION OR INFORMATION

The Board has authorised the Chairman and the Managing Director, Chief Financial Officer and the Company Secretary severally for the purpose of determining materiality of an event or information and for the purpose of making appropriate disclosures to Stock Exchange(s).

Contact details of the KMPs for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) are as under:

| Name                   | Designation                              | Contact Details   |
|------------------------|--|---|
| Mr. Prahaladbhai Patel | Chairman and Managing Director           | "PSP House", Opp. Celesta Courtyard, Opp. Lane of VikramNagar Colony, Iscon-Ambli Road Ahmedabad GJ 380058    |
| Ms. Hetal Patel        | Chief Financial Officer                  | Tele no. : 079-26936200/300/400   |
| Mr. Kenan Patel        | Company Secretary and Compliance officer | Fax no. : 079-26936500<br>Email id.: <a href="mailto:grievance@pspprojects.com">grievance@pspprojects.com</a> |

### IV. SCOPE AND LIMITATION

In the event any provisions of this Policy are contrary to or inconsistent with the Listing Agreement, the Act, the Listing Regulations or the circulars issued by SEBI in this regard or any other applicable law, this Policy shall stand modified to that extent.

Without prejudice to the generality of events mentioned in Annexures, the listed entity may make disclosures of event/information as specified by the Board from time to time.



**V. AMENDMENT**

The Board reserves the right to amend or modify this Policy in whole or in part, as may be required, at any point of time, subject to applicable laws.

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## Annexure I

### 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) or subsidiary of the listed entity or any other restructuring.

Explanation - For the purpose of this sub-para, 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-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
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. 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).
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. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), 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 auditor 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. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
  - 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 detailed reasons as specified in sub-clause (i) above.]
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
11. Reference to BIFR and 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. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

## Annexure II

### Events which shall be disclosed upon application of the guidelines for materiality:

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) (as a borrower) 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 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.

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 mentioned above, the Company may make disclosures of event/information as specified by the Board from time to time.

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