

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

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Policy for Disclosure of Material Events and Information

Under Regulation 30 (4) (ii) of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015

1. STATUTORY MANDATE

The Board of Directors (The “Board”) of Akar Tools Limited (the “Company”) has adopted the following policy and procedures with regard to disclosure of material events which are necessary to be disclosed to the stock exchanges based on criteria as may be deemed necessary and has been adopted as part of this policy.

This Policy has been formulated in terms of Regulation 30 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

2. POLICY OBJECTIVE AND SCOPE

The purpose of this document is to present a policy statement for the Company regarding disclosure of material events / information in accordance with the provisions of LODR and to determine the events and information which in the opinion of the Board are so material and needed to be disclosed to the Stock Exchanges as per the time span hitherto defined.

The policy is intended to define on disclosure of events / information and to provide guidance to the Board of Directors, KMPs and other executives and staff working in the Company in making decisions and regarding its responsibility about making public such events / information which may materially affect the performance of the Company and thereby the share prices of the Company.

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under LODR and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

3. DEFINITIONS

- “**Audit Committee or Committee**” means Audit Committee constituted by the Board of Directors of the Company, from time to time under provisions of SEBI LODR, 2015, and/or the Companies Act, 2013.
- “**Board of Directors or Board**” means the Board of Directors of Akar Tools Limited, as constituted from time to time.
- “**Company**” means “Akar Tools Limited”.
- “**Policy**” means Policy on Disclosure of Material Events and Information.

- “**Material Events**” are those that are specified in Para A of Part A of Schedule III of the LODR.
- “**Other Events**” are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III.
- “**LODR**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- “**Key Managerial Personnel**” (KMP) of the Company includes Managing / Whole-time Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary, who may be authorised individually or collectively to disclose events to Stock Exchange.

4. POLICY

The Company will make disclosure of all events or information which are considered as material as per the timeline specified in Regulation 30 of listing Regulation.

Para/Sub-Para	Events	Timeline For Disclosure
A.	Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):	
1.	Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/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 the associate company of the listed entity or any other restructuring.	Within 12 hours *
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.	Within 12 hours *
3.	New Ratings(s) or Revision in Rating(s).	Within 24 hours
4.	Outcome of Meetings of the board of directors	Timeline as specified in sub- para 4 of Para A of Schedule III.
5.	Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement	Within 12 hours * (for agreements where listed

	agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/Party(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.	entity is a party); Within 24 hours (for agreements where listed entity is not a party).
5A.	<p>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:</p> <p>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.</p>	<p>Within 12 hours * (for agreements where listed entity is a party);</p> <p>Within 24 hours (for agreements where listed entity is not a party).</p>
6.	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 whether occurred within India or abroad.	Within 24 hours
7.	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and	<p>Within 12 hours * (except in case resignation);</p> <p>Within 24 hours (in case of resignation)</p>

	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.	Timeline as specified in sub- para 7A of Para A of Schedule III.
7B.	Resignation of independent director including reasons for resignation.	Timeline as specified in sub- para 7B of Para A of Schedule III.
7C.	Letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director.	Timeline as specified in sub- para 7C of Para A of Schedule III.
7D.	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).	Within 12 hours *
8.	Appointment or discontinuation of share transfer agent.	Within 12 hours *
9.	Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions.	Within 24 hours
10.	One time settlement with a bank.	Within 24 hours
11.	Winding-up petition filed by any party / creditors.	Within 24 hours
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.	Within 12 hours *
13.	Proceedings of annual and extraordinary general meetings of the listed entity.	Within 12 hours *
14.	Amendments to memorandum and articles of association of listed entity, in brief.	Within 12 hours *
15.	(a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors. (b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means.	Timeline as specified in sub- para 15 of Para A of Schedule III.

16.	Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.	Within 24 hours
17.	<p>Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:</p> <p>(a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;</p> <p>(b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.</p>	<p>Within 12 hours * (if initiated by the listed entity);</p> <p>Within 24 hours (if initiated by external agency).</p>
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.	Within 24 hours
19.	<p>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, in respect of the following:</p> <p>(a) search or seizure; or</p> <p>(b) re-opening of accounts under section 130 of the Companies Act, 2013; or</p> <p>(c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;</p>	Within 24 hours
20.	Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or	Within 24 hours

	<p>judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:</p> <ul style="list-style-type: none"> (a) suspension; (b) Imposition of fine or penalty; (c) settlement of proceedings; (d) debarment; (e) disqualification; (f) closure of operations; (g) sanctions imposed; (h) warning or caution; or (i) any other similar action(s) by whatever name called; 	
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.	Within 12 hours *
B.	Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30)	
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division	Within 12 hours *
2.	Any of the following events pertaining to the listed entity: <ul style="list-style-type: none"> (i) arrangements for strategic, technical, manufacturing, or marketing tie-up; or (ii) adoption of new line(s) of business; or (iii) closure of operation of any unit, division, or subsidiary (entirety or piecemeal) 	Within 12 hours *
3.	Capacity addition or product launch.	Within 12 hours *
4.	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Within 24 hours
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.	<p>Within 12 hours * (for agreements where listed entity is a party);</p> <p>Within 24 hours (for</p>

		agreements where listed entity is not a party).
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.	Within 24 hours
7.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	Within 24 hours
8.	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.	Within 24 hours
9.	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.	Within 24 hours
10.	Options to purchase securities including any ESOP/ESPS Scheme.	Within 12 hours *
11.	Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party.	Within 12 hours *
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Within 24 hours
13.	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.	Within 12 hours *
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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.	Within 24 hours
D.	Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.	Timeline as specified by the Board.

*** Note:** In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within thirty minutes from the closure of such meeting as against the timeline indicated in the table above

5. CRITERIA FOR DISCLOSURE OF EVENTS / INFORMATION UNDER CLAUSE B

Materiality has to be determined on a case-by-case basis depending on specific facts and circumstances relating to the event or information.

The Following criteria will be applicable for determination of materiality of event or information:

- 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
 - Result in significant market reaction if the said omission came to light at a later date:
- b) In the opinion of the Board of Directors of the Company, the event/information ought to be disclosed.

6. AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

The Key Managerial Personnel (KMPs) consisting of the Managing / Whole-time Director, Chief Executive Officer, Chief Finance Officer and the Company Secretary are hereby jointly and severally authorised to determine whether the event / information is material or not and in turn about its timeline for disclosure based on the category of information as specified above to the stock exchanges, subject to such information being placed prior to or at the immediate Board Meeting held after the said information being made public.

7. WEBSITE UPDATION / UPDATES TO STOCK EXCHANGES

The Company shall update all disclosures made under the policy to the stock exchanges in its website and shall continue to host in the website for a minimum period of five years and thereafter archived as per web archival policy of the Company.

The Key Managerial Personnel of the Company shall give updates to the Board of Directors and to the Stock Exchanges on any material event that may have been first informed to the stock exchanges including further developments, if any, on such events. Such updates shall also be hosted on the website of the Company.

8. DISCLOSURE OF EVENTS / INFORMATION ON SUBSIDIARIES (in any)

The Company shall disclose all events or information with respect to subsidiaries (if any) which are material.

9. AUTHORISATION TO KMPs TO SUO MOTO ACCEPT / DENY REPORTED EVENT OR INFORMATION

The Key Managerial Personnel of the Company jointly and severally are authorised to provide adequate reply to all queries raised by stock exchanges with respect to any events / information and may on their own initiative also, confirm or deny any reported event or information to stock exchange(s).

10. COMPLIANCE OFFICER

The Compliance Officer for the Purpose of complying with the provisions of LODR, 2015 shall be the Company Secretary of the Company.

11. CONTACT DETAILS

Queries or clarifications about the policy or disclosure made by the Company should be referred to the Company Secretary as under:

Company Secretary
Akar Auto Industries Limited
Contact No: 02406647200
Email Id: Corporate@akartoolsltd.com

12. POLICY REVIEW

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.