



USG Tech Solutions Limited



**Policy on Determination of
Materiality of Information/ Events**



1. Purpose

In an endeavour to promote transparent and close communication with the shareholders, the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every listed company to have a policy on determination of material events and disclosures thereof.

This Policy outlines the guidelines to be followed by the Company for the consistent, transparent, regular and timely public disclosure and dissemination of material events/information. The Company is committed to factual, timely and accurate disclosure based on applicable legal and regulatory requirements.

2. Objectives of Policy

This Policy has been framed with the objective of providing adequate and appropriate disclosures that are consistent with the facts of the material events. The current Policy mechanisms regulate:

- the procedure determining the materiality of the events/information,
- the procedure governing the disclosure of the events that are deemed to be material;
- to decide upon the instance when the material events have occurred and the time frame within which the information is to be disclosed.

3. Definitions

“**Act**” means the Securities and Exchange Board of India Act, 1992.

“**Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Company**” means **USG Tech Solutions Limited.**

“**Board**” means the Board of Directors of the **USG Tech Solutions Limited**

“**Policy**” means this Policy on Determination of Materiality of events or information for making disclosure

“**Managing Director**” as defined under Section 2(54) of Companies Act, 2013.



“**Company Secretary**” as defined under Section 2(24) of Companies Act, 2013

“**Compliance Officer**” means Company Secretary, under these Regulations.

“**Chief Financial Officer**” as defined under Section 2(19) of Companies Act, 2013.

4. Disclosures of Material Information

4.1 Company shall make disclosures of any events or information which, are material in nature to the stock exchange.

4.2 Events specified in Para A of Part A of Schedule III of the Listing Regulations are deemed to be material events and Company shall make disclosure of such events as listed in Annexure ‘A’ of this Policy

4.3 Events specified in Para B of Part A of Schedule III, of the Listing Regulations as listed in Annexure ‘B’ of this Policy or any other events or information, shall be treated as material based on application of the guidelines for materiality, as specified hereinafter.

5. Obligatory Disclosures

The Company shall be under an obligation to make the following event based disclosures without applying any criterion for determining materiality.

5.1 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 Company or any other restructuring.

5.2 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.

5.3 Revision in Rating(s)

5.4 Outcome of meetings of the Board of Directors:

The Company shall intimate to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider or decide the following:

a) Dividends and/or cash bonuses recommended or declared or the

- b) decision to pass any dividend and the date on which dividend shall be paid/dispatched.
- c) Any cancellation of dividend with reasons thereof.
- d) The decision on buyback of securities.
- e) The decision with respect to fund raising proposed to be undertaken.
- f) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched.
- g) 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.
- h) Short particulars of any other alterations of capital, including calls.
- i) Financial results.
- j) Decision on voluntary delisting by the Company from stock exchange(s).

The intimation of outcome of meeting of the Board of Directors shall also contain the time of commencement and conclusion of the meeting.

- 5.5 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
- 5.6 Fraud/ Defaults by promoter or Key Managerial Personnel or by the Company or arrest of key managerial personnel or promoter
- 5.7 Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer
- 5.8 Appointment or discontinuation of Share Transfer Agent
- 5.9 Corporate Debt Restructuring ("CDR")



- 5.10 One Time Settlement (OTS) with a Bank
- 5.11 Reference to BIFR and winding-up petition filed by any party / creditors
- 5.12 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 Company
- 5.13 Proceedings of Annual and Extraordinary General Meetings of the Company.
- 5.14 Amendments to Memorandum and Articles of Association of Company.
- 5.15 Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- 5.16 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.

6. Disclosures on observing Event/ Information Material

The Company shall make disclosure of events mentioned below, based on application of the Criterion for determining materiality of event/ information as specified in Point 7.

- 6.1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division
- 6.2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new line(s) of business or closure of operations of any unit/division - (entirety or piecemeal).
- 6.3. Capacity addition or product launch



- 6.4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business.
- 6.5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
- 6.6. 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.
- 6.7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- 6.8. Litigation(s) / dispute(s) / regulatory action(s) with impact
- 6.9. Frauds/ defaults by directors (other than key managerial personnel) or employees of the Company
- 6.10. Options to purchase securities (including any Share Based Employee Benefit Scheme)
- 6.11. Giving of guarantees or indemnity or becoming a surety for any third party:
- 6.12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals

7. Criterion for determining Materiality of Event/ Information

The Company shall determine the materiality of an event/information for the purpose of disclosure to Stock Exchanges by applying the following criterion:

- 7.1 The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly.
- 7.2 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.
- 7.3 In case where the criteria specified in sub-clauses 6.1 and 6.2 are not applicable, an event/information may be treated as being material if in the opinion of the Board, the event / information is considered material.

- 7.4 In case the Company proposes to enter into any transaction/ contract anticipated to be material, depending upon the stage of discussion, negotiation or approval
- 7.5 The events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.
- 7.6 Considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.
- 7.7 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 entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

8. Identification of Material Event/ Information

- 8.1. Unless otherwise decided by the Board, the Managing Director shall be authorized for the purpose of determining materiality of an event or information and making disclosures to the stock exchange.
- 8.2. The Managing Director may also be guided by previous guidance of SEBI or comparable international Regulators about materiality, while expressing a view on whether the information is Market Sensitive.
- 8.3. The Managing Director shall take into consideration totality of factors surrounding the particular information to take a view on whether the information is Market Sensitive or not.
- 8.4. The Managing Director may seek expert advice where so felt necessary as to whether Information is Market Sensitive or not.

9. Policy Review

In case of any subsequent changes in the provisions of the Companies Act, 2013 and Regulations which makes any of the provisions in the Policy inconsistent with the Companies Act, 2013 or Regulations, the provisions of the Companies Act, 2013 or Regulations will prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.



This Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy, due to change in Regulations or identification of material event(s) or information(s). Any changes or modification in the Policy would be presented for approval of the Board of Directors.

10. Disclosure

The Managing Director, Chief Financial Officer and Company Secretary shall observe the following for proper and timely disclosure of any material events/information as defined hereon:

10.1 Disclosure of the events enumerated in Clause 5.4 above shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed.

10.2 All other events mentioned under Clause 5 and 6 above, other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.

10.3 The details with regard to any fraud/ default by Directors, Promoter or KMP or by the Company or arrest of any Promoter or KMP shall be disclosed at the time of unearthing of the fraud or occurrence of default/arrest.

10.4 The Stock Exchange shall also be intimated further details regarding the same including actual amount of fraud/ default, actual impact of such fraud/ default on the Company and its financials and corrective measures taken thereon.

10.5 Disclosure of any material development shall be made on a regular basis of any event, till the time the event is resolved/ closed.

10.6 The disclosure shall be made with respect to the Company, its KMPs, or Promoters, at the time of becoming party to any litigation assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against or in favour of the Company, the outcome of which can reasonably be expected to have an impact.

10.7 The Stock Exchange shall also be regularly intimated details of any change in the status and/ or any development thereon till the litigation or dispute is concluded and/ or is resolved.

10.8 All the disclosures made to the Stock Exchange under this Policy shall also be disclosed on the Website of the Company and the same shall be hosted for a minimum period of five years.

10.9 The Company shall also disclose all the events or information with respect to its Subsidiaries which are material for the Company.

