

Bemco Hydraulics Limited

KHANAPUR ROAD, UDYAMBAG, BELGAUM, 590008

POLICY ON DETERMINATION OF MATERIALITY.

**Approved by Board of Directors in the meeting held on 12th
August, 2022**

Policy for Determination of Materiality and Dissemination of information

1. Purpose:

- 1.1 This Policy is framed in accordance with the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) for determination of materiality, based on criteria specified in these Regulations for dissemination of information to the investors/other stakeholders.
- 1.2 The objective and purpose of this Policy is to determine materiality of events or information relating to the Company and its business operations to ensure that such event or information is timely and adequately disclosed and disseminated to the all the stakeholders of the Company in pursuance of the Listing Regulations and, generally to provide an overall governance framework for such determination of materiality. .

2. Overview and Effective Date:

- 2.1 This Policy lays down various criteria adopted by the Company in accordance with the Listing Regulations for determining materiality of an event/ information and document a process for dissemination of information and disclosures to various stakeholders through appropriate channels.
- 2.2 This Policy shall come into effect from 12th August, 2022

3. Material Event or Information:

3.1 Deemed Material Events under the Listing Regulations

In terms of Listing Regulations, Events/information listed in **Annexure A** shall be deemed as Material and the Company shall make disclosure of such events/information as soon as reasonably possible but not later than twenty-four (24) hours from the time of occurrence of such event or knowledge of information without applying any criteria of materiality In the following manner:

- i. Inform the stock exchanges in which the securities of the Company are listed;
- ii. Upload on the corporate website of the Company;

Provided that in case the disclosure is made after twenty-four(24)hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay;

- 3.2 The Company shall make disclosure of events as specified in **Annexure B** to the Stock Exchange based on application of guidelines for determining Materiality as per clause 3 of the Policy ;
- 3.3 The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations;
- 3.4 The Company shall disclose all events or information with respect to its Material Subsidiaries;
- 3.5 The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further, Company at its own discretion shall confirm or deny any event or information to stock exchange(s) reported in the media; and
- 3.6 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 for Preservation and Archival of Documents.
- 3.7 **Guidelines for determining Materiality of event or information:**
 - 3.7.1 Following criteria shall be considered for determination of materiality of events/ information other than for the Deemed Material Information listed in Clause 3.2 above:
 - (a) the event or information is in any manner unpublished price sensitive information;
 - (b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
 - (c) the omission of an event or information is likely to result in significant market reaction if the said omissionca metolightat a later date;
 - (d) Any other event/information which has - an impact/potential impact **exceeding 20% of the Gross Turnover of the Company as per the latest audited financial statements.**

Provided that, the Managing Director is authorized to exercise the discretion to decide not to make disclosure of specific information/event falling within the aforesaid criteria ,if he is of the

Opinion that any such disclosure shall be directly/indirectly detrimental to the interest of the Company.

3.7.2 In cases where the above guidelines for determining materiality cannot be applied; the Managing Director, as per guidance received from the Board of Directors shall frame an opinion based on facts and circumstances on whether any information/events requires disclosures and extent of such disclosures.

3.7.3 Illustrative list of events/information which may require disclosure upon application of any of the materiality criteria as stated in Clauses 3.7.1 above are listed in **Annexure B** to this Policy.

4. Approval Process and Authority

4.1 The Managing Director shall be authorised to determine materiality of an event or information, verifying or denying rumours and approve disclosure to the Stock Exchange and on the Company Website. In absence of the Managing Director, the Chairman of the Board or Whole-time Director or can approve dissemination of information.

4.2 The Company Secretary shall be authorised to make the disclosure of any material information duly approved by the Managing Director / Chairman/Whole-time Director to the Stock Exchange, and on the Company Website.

4.3 The Company Secretary along with Head of Public Affairs shall be authorized to disseminate approved information to Media.

4.4 Other Employees and Company representatives receiving any inquiries from the investment community shall not respond to such inquiries other than to refer the inquirer to the Company Secretary.

4.5 Contact Details Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Company Secretary and Compliance Officer, who is in charge of administering, enforcing and updating this Policy. Company Secretary and Compliance Officer
Bemco Hydraulics Limited
Telephone: 9341121443
Email: cs@bemcohydraulics.net

5. Time lines for Disclosures of information:

5.1 Disclosure required under Clause 3 above shall be first made to the Stock Exchange where shares of the Company are listed, as soon as reasonably possible but not later than twenty four hours from the occurrence of event or information. In case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.

- 5.2 Disclosure with respect to events specified in Annexure A – item no 4 regarding Outcome of the Board meetings shall be made within thirty minutes of the conclusion of the Board meeting.
- 5.3 Any information/ disclosures shall be given first to the Stock Exchange where the shares of the Company are listed, before providing the same to any third party.
- 5.4 The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- 5.5 The Company shall disclose on its Website all such events or information which has been disclosed to Stock Exchange under this Policy. Such disclosures shall be hosted on the Website of the Company for a minimum period of five years and archived thereafter as per Company's Policy on Preservation and Archival of Records.

6. General Provisions:

- 6.1 The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.
- 6.2 The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).
- 6.3 The Company shall follow uniform and universal dissemination of information to avoid selective disclosure.
- 6.4 While dealing with analysts or research persons or large investors like institutions, the Company shall provide only public information. Alternatively, the information given to analysts or research persons shall be simultaneously made public at the earliest.
- 6.5 The Company employees shall handle all Material/unpublished price sensitive information on a need to know basis in accordance with the Company's internal insider trading policies.
- 6.6 If an Employee of the Company makes an accidental or unintentional disclosure of Material or price sensitive information, the employee must immediately notify the Managing Director of this incident. The Company shall forth with take steps to ensure that the same is disclosed to the stock exchange(s) and Websites immediately.
- 6.7 All public disclosures of forward-looking information, including projections of future earnings or operational performance, shall be accompanied by appropriate cautionary language. All public disclosures of forward-looking information must be made by and/or approved by the Managing Director. Once approved, the forward-looking information may be communicated to the public by the Company Secretary. The Company is under no obligation, except under the laws of India, to respond to/update on such forward looking statements.

6.8 In case where an event occurs or information is available with the Company, which has not been indicated in **Annexure A** or **Annexure B** of this Policy, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

6.9 In the event of any conflict between the provisions of this Policy and any law, rules, regulations for the time being in force in India, such law, rules and regulations shall prevail over such provisions under this Policy.

7. Disclosure of the Policy:

7.1 The Policy on Determination of Materiality of Events or Information shall be displayed on the Company's Website and address of such web link shall be provided in the Annual Report of the Company.

8. Review of this Policy:

8.1 This Policy shall be subject to review by the Board of Directors at such intervals as may be deemed necessary. Changes (if any) recommended by the Committee shall be placed before the Board for its approval. The Policy stands automatically revised in case of any amendment to the SEBI Listing Regulations or SEBI Insider Trading Regulations. In any case, these Regulations or provisions of any other law, rules and regulations shall prevail over the provisions of this Policy.

9. KMP Contact details

Amruta Ashok Tarale
cs@bemcohydraulics.net

Annexure A

Event/Information Deemed as “Material Information”

- (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 proposal

Explanation-For the purpose of this sub-para, the word 'acquisition' shall mean:

- (a) Acquiring control, whether directly or indirectly; or,
 - (b) acquiring or agreeing to acquire shares or voting rights in, a Company, whether directly or indirectly, such that:
 - (i) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - ii) 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 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 buy back of securities;
 - (d) the decision with respect to fund raising proposed to be undertaken;
 - (e) increase in capital by issue of bonus shares through capitalisation

- 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) Fraud/defaults by promoter or key managerial personnel or by Company 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
 - (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 Company
 - (14) Amendments to memorandum and articles of association of the Company, in brief
 - (15) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors
 - (16) Any other information/events requiring disclosures under the Listing Regulations or under any other laws, applicable to the Company for the time being in force.

AnnexureB

Illustrative list of Events/information under Clause 3.2

- (a) 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;
- (b) Capacity addition or product launch;
- (c) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
- (d) 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;
- (e) 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.;
- (f) Effect(s) arising out of change in the regulatory framework applicable to the Company;
- (g) Litigation(s)/dispute(s)/regulatory action(s) with impact;
- (h) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company
- (i) Giving of guarantees or indemnity or becoming a surety for any third party
- (j) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- (k) Any other event/information available with the Company and not specifically covered in Clauses 3.1 or 3.2 above, but which may have material effect on it as per this Policy.

