

CARNATION INDUSTRIES LIMITED

POLICY ON DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS AND INFORMATION AND WEB ARCHIVAL POLICY

1. Introduction

- i. Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations') requires every listed entity to frame a policy for determination of materiality of events and information that requires appropriate disclosure to the stock exchanges. Further such disclosures are required to be hosted on the website of the listed entity for a minimum period of 5 years and thereafter as per its Archival Policy.
- ii. Accordingly, Carnation Industries Limited ('Carnation' or the 'Company') herein sets out a Policy for determination of materiality of events and information and disclosure thereof and Web Archival Policy (hereinafter referred to the 'Policy').

2. Scope and Exclusions

This Policy is applicable to Carnation Industries Limited.

3. Policy

- i. Materiality has to be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, the Company shall consider the criteria(s) mentioned below.
 - 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 on application of guidelines of materiality given above is attached as **Annexure I**.

The events / information which shall be disclosed **without application of materiality guidelines** listed in this Policy is attached as **Annexure II**.

4. 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. In case of natural calamities, disruptions etc. the events/ information can be said to have occurred when the Company becomes aware of the information.
- iii. 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.

5. Implementation

- i. To give effect to the requirements under the Regulations, the Board has authorized the Team comprising of the Chief Financial Officer, Company Secretary of the Company to determine jointly the materiality of an event / information and disclose the same to the stock exchanges.
- ii. In cases where the materiality of an event / information cannot be determined on the basis given above, the said Team may consult the Chairman & Managing Director / Executive Directors of the Company, as the case may be, before disclosing the event / information to the stock exchanges.

6. Disclosure

- i. Disclosure of events enumerated in item number 4 of Annexure 2 relating to “Outcome of meetings of the Board of Directors” shall be made within thirty minutes of the closure of the Board Meeting at which such events were considered or discussed. The intimation of outcome of meeting of the Board of Director shall also contain the time of commencement and conclusion of the Meeting.
- ii. All other events mentioned in Annexure 1 and Annexure 2 shall be disclosed as soon as reasonably possible and not later than twenty-four hours from the occurrence of event or information. The Company shall explain to the Stock Exchanges any delay in such disclosure beyond twenty-four hours of the occurrence of the event or information.
- iii. The disclosure of events/information of price sensitive nature (such as decision on declaration of dividend) shall be made on receipt of approval of the event by the Board of Directors pending the shareholder’s approval.
- iv. The Company shall ensure that the updated disclosure with respect to the material event / information is made to the stock exchanges on a regular basis till such time the event / information is resolved / closed, with relevant explanation.
- v. The Company shall also disclose all such events or information with respect to subsidiaries which are material for the company.

7. Website Disclosures and Archival

- i. The event / information disclosed to the stock exchanges under this Policy shall also be placed on the website of the Company for a minimum period of five years or for such other period, if the period prescribed shall be more than five years by the aforesaid Regulations and /or the Securities Laws as defined in the aforesaid Regulations.
- ii. After completion of the minimum period of five years or such other period as prescribed by the Regulations and/or Securities Laws the events or information shall be archived by the Company for a further period of two years. Thereafter such events or information may cease to be displayed on the website of the Company.

The Company shall also make disclosure of events / information as may be specified by the Securities and Exchange Board of India from to time.

ANNEXURE I

- a. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- b. 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, closure of operations of any unit/division (entirety or piecemeal).
- c. Capacity addition or product launch.
- d. Awarding, bagging / receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business.
- e. 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.
- f. 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.
- g. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- h. Litigation(s) / dispute(s) / regulatory action(s) with impact.
- i. Frauds/ defaults, etc. by directors (other than key managerial personnel) or employees of the Company.
- j. Options to purchase securities including any ESOP / ESPS Scheme.
- k. Giving of guarantees or indemnity or becoming a surety for any third party.
- l. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- m. Any other information / event viz. major development that is likely to affect the 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 securities holders of the Company.
- n. to appraise its position and to avoid the establishment of a false market in the securities of the Company.
- o. Occurrence of any event or availability of information which is not specified pursuant to the Regulation 30 of the Listing Regulations, but which may have material effect on the Company.

ANNEXURE II

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, -

- 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 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;
 - 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: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - i. 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;
 - ii. any cancellation of dividend with reasons thereof;
 - iii. the decision on buyback of securities;
 - iv. the decision with respect to fund raising proposed to be undertaken
 - v. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - vi. 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;
 - vii. short particulars of any other alterations of capital, including calls;
 - viii. financial results;
 - ix. 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.
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;