



ASTEC

ASTEC LIFESCIENCES LIMITED

Corporate Identity Number (CIN): L99999MH1994PLC076236

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POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

1. BACKGROUND

Astec LifeSciences Limited (the “**Company**”) is committed to being open and transparent with all stakeholders and in disseminating information in a fair and timely manner. The Company’s securities are listed on BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”). The Company is required to comply with the continuous disclosure obligations as mandated under the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (the “**Listing Regulations**”) and circulars issued by the Securities and Exchange Board of India (“**SEBI**”) from time to time.

The Policy on Determination of Materiality of Events that warrants disclosure to investors has been framed in compliance with the requirements of the Listing Regulations.

The current version of the Policy has been approved by the Board of Directors of the Company on August 2, 2023, in order to align the same with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

2. OBJECTIVES

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the disclosure obligations to which it is subject as a listed company as laid down by the Listing Regulations.
- b. To ensure that the information disclosed by the Company is timely and transparent.
- c. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- d. To protect the confidentiality of material / price sensitive information within the context of the Company’s disclosure obligations.
- e. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- f. To ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures.

3. DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modification(s), amendment(s), circular(s), clarification(s) or re-enactment(s) thereof.

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Key Managerial Personnel**” means key managerial personnel as defined in Section 2(51) of the Act;

“**Material Event**” or “**Material Information**” shall mean such event or information as set out in the Annexures to this Policy or Schedule or as may be determined in terms of Clause 4 of this Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly;

“**Policy**” means this Policy on criteria for determining Materiality of Events, as may be amended from time to time;

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification(s), amendment(s), circular(s), clarification(s) or re-enactment(s) thereof;

“**Schedule**” means Schedule III to the Listing Regulations;

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations, or any other applicable law or regulation to the extent applicable to the Company.

4. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

Materiality must be determined on a case-to-case basis depending on specific facts and circumstances relating to the information / event.

A. Events specified in Para A of Part A of Schedule III to the Listing Regulations (Events required to be disclosed without any application of the guidelines for materiality):

Regulation 30 of the Listing 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 to the Listing Regulations (enclosed as **Annexure - A**) and shall be disclosed as applicable from time to time.

B. Events specified in Para B of Part A of Schedule III to the Listing Regulations (Events to be disclosed upon application of the guidelines of materiality):

For disclosure of certain events as specified in Para B of Part A of Schedule III to the Listing Regulations (enclosed as **Annexure - B**) to the Stock Exchanges, the following criteria shall be considered by the Board for determining whether the events are material or not:

Where the omission of an event or information, is likely to result in:

- a) discontinuity or alteration of event or information already available publicly; or
- b) a significant market reaction if the said omission came to light at a later date; or
- c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - i. 2% (two percent) of turnover, as per the last audited consolidated financial statements of the Company;
 - ii. 2% (two percent) of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
 - iii. 5% (five percent) of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

In case where the criteria specified in sub-clauses (a), (b) and (c) above is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company, the event or information is considered material.

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 shall be disclosed by the Company.

5. DISCLOSURE PROCESS

1. Any event purported to be reportable under Annexure - A & Annexure - B of this Policy shall be informed to the Managing Director / Chief Financial Officer / Company Secretary & Compliance Officer of the Company on an immediate basis with adequate supporting data / information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Listing Regulations but is potentially of a price sensitive nature, must also be informed, for further evaluation, to the Managing Director / Chief Financial Officer / Company Secretary.
2. The Managing Director or the Chief Financial Officer or the Company Secretary &

Compliance Officer of the Company shall severally be responsible and authorized for ascertaining the materiality of any event, considering its nature and its disclosure, after taking into consideration the various provisions of the Listing Regulations and this Policy. Their contact details shall be disclosed / made available on the website of the Company. The aforesaid authorized Officials are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

3. After evaluation of the materiality of events, any one of the abovementioned persons shall submit disclosure to the Stock Exchanges.
4. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
5. Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
6. Regular updates, where relevant, shall be made with relevant explanations.
7. All disclosures shall be available on the website of the Company for a period of 5 (five) years.

6. AMENDMENTS

Any change in the Policy and/or Annexures necessitated due to subsequent amendment(s) / modification(s) in the provisions of the Listing Regulations or any other applicable law shall be incorporated to give effect to such changes without any further act by the Board of Directors of the Company and the Company Secretary shall be authorized to give effect to such changes.

Further, any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding.

ANNEXURE - A

EVENTS WHICH SHALL BE DISCLOSED WITHOUT APPLICATION OF MATERIALITY THRESHOLDS

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring.
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. New Rating(s) or Revision in Rating(s).
4. Outcome of Meetings of the Board of Directors:

The Company shall disclose to the Exchange(s), within 30 (thirty) 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 (provided that in case of Board meetings being held for more than one day, the financial results shall be disclosed within 30 (thirty) minutes of end of the meeting for the day on which it has been considered);
 - 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.

- 5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company 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 Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

Provided that such agreements entered into by a Company 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 Company or they are required to be disclosed in terms of any other provisions of the Listing Regulations.

6. Fraud or defaults by the Company, its promoter, Director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or Director of the Company, whether occurred within India or abroad.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc.), senior management, Auditor and Compliance Officer.
- 7A. In case of resignation of the Auditor of the Company, detailed reasons for resignation of Auditor, as given by the said Auditor, shall be disclosed by the Company to the Stock Exchanges as soon as possible but not later than 24 (twenty-four) hours of receipt of such reasons from the Auditor.
- 7B. Resignation of Independent Director including reasons for resignation: In case of resignation of an Independent Director of the Company, within 7 (seven) days from the date of resignation, the following disclosures shall be made to the Stock Exchanges by the Company:
- (i) The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - (ia) Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of Board committees, if any.
 - (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 Company to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
- 7C. In case of resignation of Key Managerial Personnel, Senior Management, Compliance Officer or Director other than an Independent Director, the letter of resignation along with detailed reasons for the resignation as given by the Key Managerial Personnel, Senior Management, Compliance Officer or Director shall be disclosed to the Stock Exchanges by the Company within 7 (seven) days from the date that such resignation comes into effect.
- 7D. In case the Managing Director or Chief Executive Officer of the Company is indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than 45 (forty-

five) days in any rolling period of 90 (ninety) days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the Stock Exchanges.

8. Appointment or discontinuation of Share Transfer Agent.
9. Resolution plan / Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
 - (i) Decision to initiate resolution of loans / borrowings;
 - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
 - (iii) Finalization of Resolution Plan;
 - (iv) Implementation of Resolution Plan;
 - (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
10. One-time settlement with a bank.
11. 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 Company.
13. Proceedings of Annual and Extra-ordinary General Meetings of the Company.
14. Amendments to the Memorandum and Articles of Association of Company, in brief.
15. (a) Schedule of analysts or institutional investors meet at least 2 (two) working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the Company 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, simultaneously with submission to the recognized stock exchange(s), in the following manner:
 - (i) the presentation and the audio / video recordings shall be promptly made available on the website and in any case, before the next trading day or within 24 (twenty-four) hours from the conclusion of such calls, whichever is earlier;
 - (ii) the transcripts of such calls shall be made available on the website within 5 (five) working days of the conclusion of such calls.
16. The following events in relation to the Corporate Insolvency Resolution Process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;

- c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
 - d. Public announcement made pursuant to order passed by the Tribunal under Section 13 of Insolvency Code;
 - e. List of creditors as required to be displayed by the corporate debtor under Regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - f. Appointment/ Replacement of the Resolution Professional;
 - g. Prior or post-facto intimation of the meetings of Committee of Creditors;
 - h. Brief particulars of invitation of resolution plans under Section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - i. Number of resolution plans received by Resolution Professional;
 - j. Filing of resolution plan with the Tribunal;
 - k. Approval of resolution plan by the Tribunal or rejection, if applicable;
 - l. Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - (i) Pre and Post net-worth of the Company;
 - (ii) Details of assets of the Company post CIRP;
 - (iii) Details of securities continuing to be imposed on the Company's assets;
 - (iv) Other material liabilities imposed on the Company;
 - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (vi) Details of funds infused in the Company, creditors paid-off;
 - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - (viii) Impact on the investor – revised P/E, RONW ratios etc.;
 - (ix) Names of the new promoters, Key Managerial Personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such companies and names of natural persons in control;
 - (x) Brief description of business strategy.
 - m. Any other material information not involving commercial secrets;
 - n. Proposed steps to be taken by the incoming investor / acquirer for achieving the MPS;
 - o. Quarterly disclosure of the status of achieving the MPS;
 - p. Details as to the delisting plans, if any approved in the resolution plan.
17. 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 the Company:
- a. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
 - b. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.
18. Announcement or communication through social media intermediaries [within the meaning of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021] or mainstream media by Directors, promoters, Key Managerial Personnel or Senior

Management of a Company, in relation to any event or information which is material for the Company in terms of Regulation 30 of the Listing Regulations and is not already made available in the public domain by the Company.

19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its Directors, Key Managerial Personnel, Senior Management, promoter or subsidiary, in relation to the Company, in respect of the following:

- a) search or seizure; or
- b) re-opening of accounts under Section 130 of the Companies Act, 2013; or
- c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its Directors, Key Managerial Personnel, Senior Management, promoter or subsidiary, in relation to the Company, in respect of the following:

- 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;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- i. name of the authority;
- ii. nature and details of the action(s) taken, initiated or order(s) passed;
- iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
- v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

21. Voluntary revision of Financial Statements or the Report of the Board of Directors of the Company under section 131 of the Companies Act, 2013.

ANNEXURE - B

EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF MATERIALITY THRESHOLDS

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit / division.
2. Any of the following events pertaining to the Company:
 - a. arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - b. adoption of new line(s) of business; or
 - c. closure of operation of any unit, division or subsidiary (in entirety or in 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 Company 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 Company.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.
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.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.
