

**POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS**

**1. PREFACE:**

In terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations"), which comes into effect from 1<sup>st</sup> December, 2015, every listed entity shall have a policy for determination of materiality of events ("Policy") based on the criteria specified under the SEBI Listing Regulations. In terms of the aforesaid provisions, the Policy has been formulated by the Board of Directors (the "Board") of Blue Chip Tex Industries Limited (the "Company"), which comes into effect from 16<sup>th</sup> April, 2016 and this revised Policy adopted by the Board with effect from 13<sup>th</sup> February, 2020.

**2. OBJECTIVE OF THE POLICY:**

Company, being a listed entity is obligated to comply with the disclosure requirements under the Regulation 30 of the SEBI Listing Regulations. The primary objective of the Policy is to determine the events or information which in the opinion of the Board is material, considering the criteria mentioned in the Regulation 30(4)(i) of the SEBI Listing Regulations and needs to be disclosed to the Stock Exchanges in the timeframe provided therein. The Policy intends to provide guidance to the Board, Key Managerial Personnel ("KMP") and other employees of the Company in understanding and making decisions about disclosure of such events or information which may materially affect the performance/operation of the Company and thereby the prices of the listed securities of the Company. Further, the Policy is designed for systematic identification, categorization, review and disclosure to the stock exchanges and hosting on the Company's website and regular updation of the events/ information which may have material bearing on the performance /operation of the Company and as a result, affect the market prices of the listed securities of the Company.

**3. DEFINITIONS:**

- i. "Key Managerial Personnel" (KMP) means the KMP as defined under sub-section (51) of section 2 of the Companies Act, 2013.

Words/Expressions used but not defined in the Policy shall have the same meaning as assigned to them in the SEBI Listing Regulations or any modification thereto

**4. CATEGORIES FOR EVENTS/INFORMATION:**

**CATEGORY-A**

In terms of Regulation 30(2) read with sub para 4 of Para A of Part A of Schedule-III of SEBI Listing Regulations, the following events/information shall be disclosed within 30 minutes of the conclusion of the Meeting of the Board where the relevant event/information is considered by the Board:

- 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;

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- 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 Company from stock exchange(s).

### **CATEGORY-B**

In terms of Regulation 30(2) read with sub para 4 of Para A of Part A of Schedule-III of SEBI Listing Regulations, the following events/information shall be disclosed not later than 24 hours of the occurrence of the event without any application of the guidelines for materiality specified herein in accordance with clause i of sub-regulation 4 of the Regulation 30:

- i. 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.  
For the purpose of the above 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 (I) above and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- ii. 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.
- iii. Revision in Rating(s).
- iv. 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.
- v. Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.

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- vi. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc.), Auditor and Compliance Officer.
- vii. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- viii. In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
  - a. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
  - b. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
  - c. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (a) above.
- ix. Appointment or discontinuation of share transfer agent.
- x. Corporate debt restructuring.
- xi. One time settlement with a bank.
- xii. Reference to BIFR and winding-up petition filed by any party /creditors.
- xiii. 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.
- xiv. Proceedings of Annual and extraordinary general meetings of the Company.
- xv. Amendments to memorandum and articles of association of the Company, in brief.
- xvi. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- xvii. 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;

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- 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. Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
- m. Any other material information not involving commercial secrets.

### **CATEGORY-C**

In terms of Regulation 30(3) read with Para B of Part A of Schedule-III of SEBI Listing Regulations, the following events/information shall be disclosed not later than 24 hours of the occurrence of the event subject to the Materiality of Event to be determined by the Company based on the application of the criteria for Materiality as specified in point 5 below in accordance with clause i of sub-regulation 4 of the Regulation 30:

- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- ii. 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 (entirety or piecemeal).
- iii. Capacity addition or product launch.
- iv. Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- v. 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.
- vi. 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, lock outs, etc.
- vii. Effect(s) arising out of change in the regulatory frame work applicable to the Company.
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.
- ix. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
- x. Options to purchase securities including any ESOP/ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety for any third party.
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

**CATEGORY-D**

In terms of Para C of Part A of Schedule-III of SEBI Listing Regulations any other information/event viz. major development that is likely to affect business shall be disclosed not later than 24 hours of the occurrence of the event e.g. emergence of new technologies; expiry of patents; and 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.

Further in terms of Regulation 30(12) of the SEBI Listing Regulations in case where an event occurs or any information is available with the Company, which has not been indicated above in category A or category B or category C but which may have material effect on it, the Company is required to make adequate disclosures in regard thereof.

**CATEGORY-E**

The Board /Competent Authority shall without prejudice to the generality of provisions specified above, may disclose any other event/information within the prescribed time as required by the SEBI.

**5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION:**

As per the provisions of SEBI Listing Regulations, the materiality of event or information shall be determined based on the following criteria:

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

**6. AUTHORITY FOR DECIDING MATERIALITY OF EVENT OR INFORMATION:**

The Managing Director and Chief Financial Officer of the Company (the "Authorised Persons") is authorised to decide on the materiality of an event or any information. The Managing Director or Chief Financial Officer or the Company Secretary are hereby authorised severally to make necessary disclosures of any such event or information at appropriate time to stock exchange(s) on which the shares of the Company are listed. The Authorised Persons is also empowered to decide all events or information with respect to subsidiary companies, if any, which are material for the Company and making disclosure of such information at appropriate time to stock exchange(s).

The Board may from time to time determine and appoint / remove one or more eligible persons to undertake any of the aforesaid activities.

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**7. \* CONTACT DETAILS OF AUTHORIZED PERSONS AND PERSONS WHO ARE AUTHORIZED TO MAKE NECESSARY DISCLOSURES:**

Name and Designation	Email Id	Contact Details
KMP(s) authorized for determining materiality of an event or information		Blue Chip Tex Industries Limited Office no 15,16 & 17, 1 <sup>st</sup> floor, Maker Chamber – III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021. Tel no: 022 4353 0400
1. Mr. Shahin N. Khemani Managing Director	bluechiptex@gmail.com	
2. Mr. Rahul A. Khemani Chief Financial Officer	bluechiptex@gmail.com	
KMP(s) authorized for making disclosure to the Stock Exchange(s)		
1. Mr. Shahin N. Khemani Managing Director	bluechiptex@gmail.com	
2. Mr. Rahul A. Khemani Chief Financial Officer	bluechiptex@gmail.com	

***\* Name of Mr. Ashok K. Khemani, the Managing Director, is removed from the list of “KMP(s) authorized for determining materiality of an event or information” and “KMP(s) authorized for making disclosure to the Stock Exchange(s)” as he has resigned w.e.f. 31<sup>st</sup> August, 2020.***

***Inclusion of name of Mr. Shahin N. Khemani, the Managing Director, in the list of “KMP(s) authorized for determining materiality of an event or information” and “KMP(s) authorized for making disclosure to the Stock Exchange(s)” w.e.f. 1<sup>st</sup> September, 2020.***

***Name of Mr. Bhumit M. Dharod, the Company Secretary and Compliance Officer is removed from the list of “KMP(s) authorized for making disclosure to the Stock Exchange(s)” as he has resigned w.e.f. the close of office hours of 17<sup>th</sup> February, 2023.***

**8. DISSEMINATION OF INFORMATION TO STOCK EXCHANGE(S):**

The Managing Director or Chief Financial Officer or the Company Secretary of the Company shall disseminate information to stock exchange(s) in the manner and to the extent as approved by the Authorised Persons.

The disclosure of events or information to stock exchange(s) shall be in the form and manner as prescribed under the SEBI Listing Regulations.

**9. REVIEW AND AMENDMENTS:**

Subject to the applicable laws, the Board may amend this Policy from time to time. In the event of any conflict between the provisions of this Policy and the applicable laws, the later shall prevail.

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