



**RAW EDGE INDUSTRIAL SOLUTIONS LIMITED**

**CIN No: L46201MH2005PLC240892**

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# **POLICY ON MATERIALITY OF EVENTS**

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## PREAMBLE

This policy is framed pursuant to **Regulation 30(4)(ii)** of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Regulations”), and subsequent amendments, to ensure transparent and timely disclosure of material events or information to stock exchanges.

## OBJECTIVE

The objectives of this Policy are to:

1. Enable informed investment decisions by stakeholders.
2. Define criteria for determining the materiality of events or information.
3. Empower Key Managerial Personnel (KMP) to evaluate materiality and make disclosures.

## Disclosure of Events/Information

The Company shall disclose events and information to stock exchanges as per the following categories:

1. Prior Intimation
2. Mandatory Disclosure of Events
3. Materiality-Based Disclosure of Events

## PRIOR INTIMATION TO STOCK EXCHANGES

1. The Company shall provide prior intimation to stock exchanges for the following events, adhering to the updated timelines:
  - **Record Date:** At least **3 working days** prior to the record date.
  - **Rights Issues:** At least **7 working days** before announcement.
  - **Board Meetings:** At least **2 working days** in advance (excluding the date of intimation and the meeting date) for discussions on buyback, delisting, fundraising, dividends, or bonus shares.
2. Intimation for meetings regarding financial results shall be provided at least **5 days in advance**.

## DISCLOSURE OF EVENTS

1. **Mandatory Disclosure of Events:** Events listed in **Para A of Part A of Schedule III** of the Regulations, such as:
  - Financial results, dividends, or buybacks.
  - Mergers, acquisitions, or sales of material businesses.
  - Any regulatory or legal actions that significantly impact the Company.
2. **Materiality-Based Disclosure:** Events listed in **Para B, C, and D of Part A of Schedule III** and other events meeting the materiality criteria below:
  - Financial impact exceeding **₹5 crore** or **5% of net worth**, whichever is lower.
  - Events affecting the Company’s reputation or market perception.
  - Events materially impacting the performance of subsidiaries.
3. **Subsidiary Impact:** The Company shall disclose material events/information affecting its subsidiaries that have a significant bearing on the operations or financial performance of the Company.
4. **Timing for Disclosure:**

- Disclosures for Board outcomes (e.g., financial results, dividends) shall be made within **30 minutes** of the meeting's conclusion.
  - Other material events must be disclosed within **24 hours** of their occurrence.
5. **Explanations for Delay:** In case of delayed disclosures, reasons for the delay must be submitted to stock exchanges.

## **MATERIALITY CRITERIA**

An event shall be considered material if:

- Its omission or non-disclosure might result in **discontinuity or alteration** of publicly available information.
- Its impact or potential impact exceeds **₹5 crore** or **5% of net worth**, based on the latest audited consolidated financial statements.
- It is likely to result in significant market reactions or influence investment decisions.

## **AUTHORIZED PERSONS**

The following KMP are authorized to determine materiality and ensure timely disclosure:

1. Managing Director.
2. Company Secretary.
3. Chief Financial Officer (in the absence of the above).

## **RETENTION AND ARCHIVAL**

1. All disclosures made under this Policy shall remain on the Company's website for a minimum period of **5 years**.
2. Archived disclosures shall be securely stored for an additional **3 years**.

## **OTHER PROVISIONS**

1. The Company may confirm or deny any reported events based on the facts.
2. In the event of conflict between this Policy and applicable laws or regulations, the latter shall prevail.
3. This Policy shall be updated automatically to reflect changes in SEBI Regulations or any other statutory enactments.

## **APPROVAL AND REVIEW**

This Policy shall be reviewed annually by the Board of Directors to incorporate regulatory updates or governance best practices.

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(This Policy is approved by the Board of Directors at their meeting held on 28<sup>th</sup> October, 2024 and shall be effective from 28<sup>th</sup> October, 2024)

## Annexure — A

### Mandatory Disclosure of Event

Pursuant to Para A of Part A of Schedule III read with Circular No C1R / CFD/ CMD/ 4/ 2015 dated 02<sup>nd</sup> September 2015 of the Stock Exchanges pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015

The following shall be events / information, upon occurrence of which the Company shall make disclosure to stock exchange(s):

**A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):**

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.

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

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that —

(a) 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;

(b) 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-pars 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 Company shall disclose to the Exchange(s), within 30 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; financial results;
- h) decision on voluntary delisting by the Company from stock exchange(s).

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

- 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.

Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.

Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

- 6. Appointment or discontinuation of share transfer agent.

- 7. Reference to BIFR and winding-up petition filed by any party / creditors

7A. 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.

(7B) Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

- I. 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
- 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 listed entities to the stock exchanges along with the detailed reasons as specified in sub clause (i) above

- 8. One time settlement with a bank.

- 9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:

10. 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.
11. Proceedings of Annual and extraordinary general meetings of the Company.
12. Amendments to memorandum and articles of association of the Company, in brief.
13. (a) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors 'meet' shall mean group meetings or group conference calls conducted physically or through digital means  
  
(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 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 five working days of the conclusion of such calls
14. The following events in relation to the corporate insolvency resolution process (CIRP) of the company 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;
    - a) Number of resolution plans received by Resolution Professional;
    - b) Filing of resolution plan with the Tribunal;

- c) Approval of resolution plan by the Tribunal or rejection, if applicable;
  - d) Specific features and details of the resolution plans 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 companies' 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 persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control; (x) Brief description of business strat egy.
  - 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) The 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 listed entities:
- a) The fact of initiation of forensic audit along -with name of entity initiating the audit and reasons for the same, if available) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.
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## **Annexure B**

### **Disclosure of Event based on Materiality**

Pursuant to Para B, C and D of Part A of Schedule III read with Circular No CIR / CFD/ CMD/ 4/ 2015 dated 09<sup>th</sup> September 2015 of the Stock Exchanges pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.3

#### **B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
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 lines of business or closure of operations of any unit/division (entirety or 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 the Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of 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.

#### **C. 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.**

**D. Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by the Board from time to time.**