



**METRO BRANDS LIMITED**

**POLICY FOR DETERMINATION OF MATERIALITY OF AN EVENT / INFORMATION<sup>1</sup>**

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<sup>1</sup> Adopted in Board meeting dated 6<sup>th</sup> December, 2018 and further amended vide resolution passed in Board meetings dated 20<sup>th</sup> May, 2022, 23<sup>rd</sup> March, 2023 & 1<sup>st</sup> August, 2023

## **Preamble**

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, all listed companies are required to frame a Policy for Determination of Materiality of an Event/Information for disclosure thereof under the said Regulation.

## **Objective**

The Board of Directors of Metro Brands Limited ('the Company') have adopted this Policy for Determination of Materiality of an Event/Information with the intention to define the Company's responsibilities towards determination of materiality of any event or information which shall have an effect on the market price of the equity shares of the Company listed on Stock Exchanges and to ensure timely and adequate disclosure of material events and price sensitive information to the Stock Exchanges and on the website of the Company.

## **Definitions**

"Board of Directors" or "Board" means the collective body of the Directors of the Company;

"Meeting" means a meeting, duly convened and constituted, of the Board or any committee thereof or of the Members of the Company.

"Senior Management" shall have the meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015 ("Listing Regulations") as amended.

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Companies Act, 2013 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

## **Authority**

The Managing Director, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Company Secretary (CS) of the Company ("Authorized Persons") shall, together or severally, in consultation with the Senior Management, determine the materiality of an event or information and shall make necessary disclosures to the Stock Exchanges.

**Contact details:**

<b>Sr. No</b>	<b>Name</b>	<b>Designation</b>	<b>Contact details</b>
1.	Ms. Farah Malik Bhanji	Managing Director	<a href="mailto:communications@metrobrands.com">communications@metrobrands.com</a> Contact No: +91 22 2654 7700
2.	Mr. Nissan Joseph	Chief Executive Officer (CEO)	<a href="mailto:communications@metrobrands.com">communications@metrobrands.com</a> Contact No: +91 22 2654 7700
3.	Mr. Kaushal Parekh	Chief Financial Officer (CFO)	<a href="mailto:kaushal.parekh@metrobrands.com">kaushal.parekh@metrobrands.com</a> Contact No: +91 22 2654 7700
4.	Ms. Deepa Sood	Company Secretary & Compliance Officer	<a href="mailto:deepa.sood@metrobrands.com">deepa.sood@metrobrands.com</a> Contact No: +91 22 2654 7700

**Deemed material events or information**

The Company shall, disclose all such events pertaining to itself and/or its material subsidiary(ies), which are specified in Part A of Part A of Schedule III of the Listing Regulations (as may be applicable / amended from time to time). Notwithstanding anything contained in this Policy, the Company shall at all times be required to disclose all such events as are specified under sub-regulation (2) of Regulation 30 of the Listing Regulations.

**Determination of materiality of event/information which are dependent on application of guidelines for materiality**

1. Materiality will be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information pertaining to the Company and/or its material subsidiary(ies), which are specified in Para B of Part A of Schedule III of the Listing Regulations (as may be applicable / amended from time to time). In order to ascertain whether a particular event/information is material in nature, materiality criteria as under will be applied:
  - a) the omission of an event or information which is likely to:
    - result in a discontinuity or alteration of an event already available publicly; or
    - result in significant market reaction if the said omission came to light at a later date; or
    - 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% of turnover, as per the last audited consolidated financial statements of the Company;
      - (ii) 2% 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% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

- b) Any event or information having a significant risk to the reputation of the Company;
  - c) In case where the criteria specified in sub-sections (a) and (b) is not applicable, any event or information that may be considered material in the opinion of the Board of Directors of the Company.
2. In determining materiality, a number of factors such as the nature of the information, prevailing market conditions, general business practices, industry scenario, business outlook etc. shall be taken into consideration. Notwithstanding anything stated above, the Authorized Persons may apply a qualitative criterion for deeming whether an event / information is material or not in cases where aforementioned quantitative criteria cannot be ascertained or applied reasonably.
  3. The Company will disclose Material Information concerning the business and affairs of the Company to the public immediately, except where prohibited by law and when otherwise required for the purpose of maintaining the confidentiality of the information.
  4. The extent of the disclosures will depend upon the stage of discussions, studies or negotiations.
  5. In case of any amendments/ updations in the list of events/ information specified in Part A of Schedule III or Part B of Schedule III of the Listing Regulations, the list of material information/ events shall stand accordingly modified.

**Any other information / event which is to be disclosed by the Company:**

The Company shall disclose major developments that are 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.

The Company shall also disclose the frauds or defaults by employees of the Company amounting to Rs. 10 million or above.

**Guidelines on occurrence of an event / information:**

The occurrence of material event/information may be either on the Company's own accord or not in the hands of the Company. It can be categorized as under:

- a. depends upon the stage of discussion, negotiation or approval; and
- b. in case of natural calamities, disruptions etc., it would depend upon the timing when the Company became aware of the event/information.

In respect of the events under (a), the events/information can be said to have occurred upon receipt of the approval of the Board of Directors, e.g., further issue of capital by rights issuance and in certain events/information, after receipt of the approval of both i.e., Board of Directors and the shareholders.

However, considering the price sensitivity involved, for certain events, e.g., decision on declaration of dividends etc., disclosure shall be made on receipt of the approval of the event by the Board of Directors, pending shareholder's approval.

In respect of the events under (b), the events/information can be said to have occurred when the Company becomes aware of the events/information or as soon as an officer of the Company has or ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter(s) of the Company.

## **Disclosure**

The Company shall ensure timely disclosure of a material event or information to the Stock Exchanges. The Company shall disclose all such events or information as specified in Part A of Schedule III of the Listing Regulations as soon as reasonably possible and not later than the following:

- (i) twelve (12) hours from the occurrence of such event or information in case the event or information is emanating from within the Company
- (ii) twenty-four (24) hours from the occurrence of such event or information in case the event or information is not emanating from within the Company.

Provided however that in case the disclosure is made after twelve (12) hours or twenty-four (24) hours as may be applicable, of the occurrence of such event or information, the Company shall along with such disclosures provide explanation for such delay.

- (iii) thirty (30) minutes from the conclusion of the Board Meeting in which the decision pertaining to the event or information specified in Sub-Para 4 of Para A of Part A of Schedule III of the Listing Regulations has been taken.

The Company shall disclose on its website, all such events or information which have been disclosed to the Stock Exchanges as stated above and such disclosures shall be hosted on the website of the Company for a period of 5 (five) years and thereafter as per the Policy for Preservation of Documents & Archival Process of the Company.

## **Amendments**

The Board of Directors of the Company may change/amend this Policy from time to time at its sole discretion and/or in pursuance of any amendments made in the applicable laws and / or regulations.

In the event of any conflict between this Policy and Listing Regulations, Listing Regulations shall prevail over this Policy.

Any subsequent amendment/modification in the Listing Regulations and/or applicable laws in this regard shall automatically apply to this Policy.