

# PATEL RETAIL LIMITED

(FORMERLY KNOWN AS PATEL RETAIL PRIVATE LIMITED)

Regd. & Corporate Office :

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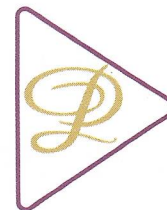
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PATEL RETAIL LIMITED

TRUST & TOGETHERNESS

## POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

*[Pursuant to regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

### 1. BACKGROUND

- 1.1 Patel Retail Limited (“**Company**”) is committed to being open and transparent with all its stakeholders and in disseminating information in a fair and timely manner. Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every listed entity to frame a ‘*Policy for Determination of Materiality of Events or Information*’ (“**Policy**”), basis the criteria specified under the SEBI Listing Regulations.
- 1.2 The board of directors of the Company have adopted the Policy in its meeting dated Saturday 30<sup>th</sup> December 2023 and it shall come into force with effect from the date the SEBI Listing Regulations take effect / apply with respect to the Company.

### KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY

As per Regulation 30(5) of SEBI Listing Regulations, The Managing Director of the Company and the Chief Financial Officer of the Company will be the authorized Key Managerial Personnel (“KMP”) to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchange(s) through the Chief Investor Relations Officer designated under the Company’s code of fair disclosure.

### 2. OBJECTIVES OF THE POLICY

The objectives of this Policy are as follows:

- (i) To ensure that the Company complies with disclosure obligations to which it is subject and as laid down by the SEBI Listing Regulations, various securities laws and any other legislations;
- (ii) To ensure that the information disclosed by the Company is timely and transparent;
- (iii) To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation;
- (iv) To protect the confidentiality of material/ price sensitive information within the context of the Company’s disclosure obligations;
- (v) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company;
- (vi) To ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures;
- (vii) To provide shareholders, investors and the market with timely, direct and equal access to material information issued by the Company.

### 3. DEFINITIONS

**“Board of Directors”** means Board of Directors of the Company;

**“Key Managerial Personnel”** means the key managerial personnel as defined under section 2(51) of the Companies Act, 2013;

**“SEBI Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**“Stock Exchanges”** means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 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.

### 4. EVENTS OR INFORMATION WHICH ARE DEEMED TO BE MATERIAL EVENTS

Events specified in Schedule III, Part A, Para A of the SEBI Listing Regulations shall be deemed to be material events. Accordingly, the Company would be required to disclose all such events pertaining to itself and/or its material subsidiary(ies), as stated above.

### 5. EVENTS OR INFORMATION TO BE DISCLOSED UPON APPLICATION OF MATERIALITY GUIDELINES

5.1 Events or information specified in Schedule III, Part A, Para B of the SEBI Listing Regulations are required to be disclosed by the Company upon application of Guidelines of Materiality (**“Materiality Guidelines”**).

5.2 The Materiality Guidelines are set out below:

- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (ii) the omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date; or
- (iii) the omission of an event or information, whose value or expected impact in terms of value, exceeds the lower of the following:
  - (a) two percent (2%) of turnover, as per the last audited consolidated financial statements of the Company;
  - (b) two percent (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;
  - (c) five percent (5%) of the average of absolute value of profit or loss after tax, as per the last three (3) audited consolidated financial statements of the Company.



- (iv) In case where the criteria specified in sub-clauses (i), (ii) and (iii) above are not applicable, an event/ information may be treated as being material if in the opinion of the Board, such event/information will be considered material.
- 5.3 The Company shall provide specific and adequate reply to all queries raised by the Stock Exchanges with respect to any events or information.
- 5.4 The Company may on its own initiative also, confirm or deny any reported event/ information to the Stock Exchanges.
- 6. KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURE TO THE STOCK EXCHANGE**
- 6.1 The following KMPs have been severally authorised by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosure to the Stock Exchanges (“**Authorised Persons**”):
- (i) Chairman and Managing Director (“**CMD**”);
  - (ii) Chief Financial Officer;
  - (iii) Company Secretary.

#### **Disclosures of Events or Information to Stock Exchanges**

The events or information which will be necessary to be disclosed to the Stock Exchanges are divided into three categories as specified in Part A of Schedule III of the SEBI Listing Regulations:

a) Events whose disclosure is mandatory, and which would need to be disclosed without any application of the test / guidelines for materiality.

The below events will be disclosed as soon as reasonably possible and not later than twenty-four hours from the occurrence of event or information except for events stated in item (d) below which shall be disclosed within thirty minutes of the conclusion of the board meeting. In case the disclosure is made after twenty-four hours of occurrence of the event or information, the rationale for the delay will be provided along with such disclosures.

(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 Company (if any) or any other restructuring.

Acquisition would 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 –

(1) 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;

(2) there has been a change in holding from the last disclosure 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) Outcome of meetings of the board of directors: The Company shall disclose to the Stock Exchanges, within 30 minutes of the closure of the meeting, held to consider or decide 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 would 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 if the meeting of the Board continues for more than one day, the financial results shall be disclosed within 30 minutes of the close of the meeting of the day on which financial results were considered; and

(I) decision on voluntary delisting by the Company from Stock Exchanges.

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

(v) Agreements (viz. shareholder agreement(s), joint venture 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.



(vi) Fraud / defaults by promoter or key managerial personnel (managing directors, chief executive officer, chief financial officer, company secretary etc.) of the Company or by the Company or arrest of key managerial personnel or promoter.

(vii) Change in directors, key managerial personnel, auditor, and compliance officer.

(viii) Detailed reasons for resignation of the auditor, as given by the said auditor, as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.

(ix) Following disclosures upon resignation of an independent director, within seven days from the date of resignation:

(A) Detailed reasons for the resignation of independent directors as given by the said director.

(B) Confirmation from the said independent director that there is no other material reasons other than those provided.

(C) The confirmation by said independent director should be submitted along with the detailed reasons, as mentioned in (A) above.

(x) Appointment or discontinuation of share transfer agent.

(xi) Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:

(A) Decision to initiate resolution of loans/borrowings;

(B) Signing of Inter-Creditors Agreement (ICA) by lenders;

(C) Finalization of Resolution Plan;

(D) Implementation of Resolution Plan;

(E) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders

(xii) One time settlement ("OTS") with a bank.

(xiii) Reference to Board for Industrial and Financial Reconstruction ("BIFR") and winding up petition filed by any party/creditors.

(xiv) 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.

(xv) Proceedings of annual and extraordinary general meetings of the Company.

(xvi) Amendments to memorandum and articles of association of Company, in brief.

(xvii) (a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.

Explanation: For the purpose of this clause '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:

The requirement for disclosure(s) of audio/ video recordings and transcript is mandatory with effect from April 01, 2022.



(xviii) Following events in relation to the corporate insolvency resolution process ("CIRP") of the Company as corporate debtor under the Insolvency and Bankruptcy Code, 2016, ("IBC") if applicable:

- (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 the IBC.
- (E) List of creditors as required to be displayed by the corporate debtor under Regulation 13(2)(c) of the Insolvency and Bankruptcy Board of India (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 the IBC in the form specified under regulation 36A(5) of the Insolvency and Bankruptcy Board of India (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 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 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) The details as to the delisting plans, if any approved in the resolution plan.

(xix) 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;

b) 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.

b) Events which may be disclosed to the Stock Exchanges based on the test of materiality

The events as mentioned below will be disclosed based on the application of the test of materiality and key principles for determination of materiality, as outlined hereunder:

(i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

(ii) 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

(iii) in a case where the criteria specified in (a) and (b) is not applicable, any event / information which in the opinion of the board of the Company, is considered material and needs disclosure.

The KMP authorised under this Policy will determine on the disclosure of events or information to the Stock Exchanges based on the application of the test of materiality as mentioned above. In addition to this, the KMP while determining the materiality will do so on a case to case basis depending on specific facts / circumstances relating to the information / event and apply such other qualitative / quantitative criteria if required and as may be deemed appropriate to the events as stated below.



Description of events:

1. Commencement or any postponement in the date of commencement of 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 line(s) of business; 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 the 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, lock-outs 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. Frauds/defaults by directors (other than key managerial personnel) or employees of the Company.
10. Options to purchase securities, including any employees stock option plan / employees stock purchase 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 event / information that is likely to affect business.

Such events may include but not be limited to the following:

(i) Change in accounting policy that may have a significant impact on the accounts of the Company.

(ii) Any other event which is in the nature of major development that is likely to affect business of the Company.

(iii) Any other information exclusively known to the Company which may be necessary to be disseminated to enable the holders of the securities of the Company to apprise its position and to avoid the establishment of a false market in such securities.

(i) (as prescribed in clause 4.2 above);

## **7. AMENDMENT**

The Board may amend, substitute any of the provisions of this Policy with a new provision or replace this Policy entirely with a new Policy. In any case, any subsequent amendment to the SEBI Listing Regulations and/or any applicable other laws in this regard shall automatically apply to this Policy. In the event of inconsistency between the terms of this Policy and the SEBI Listing Regulations, the SEBI Listing Regulations will prevail.



**8. GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO BE OCCURRED**

The events / information shall be said to have occurred upon approval of board of the Company in certain events, for example further issue of capital by rights issuance and in certain events / information after receipt of approval of both i.e. board of the Company and shareholders of the Company. Certain events which are price sensitive in nature like declaration of dividends etc. will be deemed to have occurred and disclosed on approval of the board of the Company pending shareholder's approval. Events such as natural calamities or disruption can be said to have occurred when the Company becomes aware of the event / information.

**9. WEBSITE**

The Policy shall be disclosed on the Company's website. Further, the Company shall disclose on its website all such events or information which has been disclosed to the Stock Exchanges under regulation 30 of the SEBI Listing Regulations, and shall disclosures shall be made available on its website for a minimum period of five (5) years and thereafter as per its Archival Policy.

**10. CONTACT DETAILS**

Questions or clarifications about this Policy or the disclosures made by the Company should be referred to the Company Secretary and Compliance Officer of the Company, who is responsible for administering, enforcing and updating this Policy:

**Name:** Deepesh Sanjay Somani

**Email:** cs@patelrpl.net

**Phone:** 7391043825

