



BF UTILITIES LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

(Revised w.e.f. November 13, 2023)

BF UTILITIES LIMITED

Document Title	Policy For Determination Of Materiality Of Events/ Information
Originally Framed	October 29, 2015
Current Revision Date	April 1, 2019
Current Revision Date	November 13, 2023
Authority approving the Policy	Board of Directors

1. OBJECTIVE

The Company has equity shares listed and traded in India on BSE Limited as well as the National Stock Exchange of India Limited (collectively the “Stock Exchanges”). The Policy on Determination of Materiality of Events/Information and their Disclosures (“the Policy”) is framed in accordance with the requirements of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Regulations”) as amended from time-to-time and is intended to identify material events or information upon the occurrence of which the Company shall make appropriate disclosures to the Stock Exchanges.

This Policy covers the disclosures required by the Company, its shareholders, Promoters, Promoter Group entities, related parties, Directors, Key Managerial Personnel, Senior Management and employees and all other persons as may be applicable pursuant to the Regulations.

Any capitalized term used herein but not defined shall have the meaning assigned to such term under the Regulations or any other applicable law or regulations.

2. AUTHORISED PERSONS TO ASSESS THE MATERIALITY OF EVENTS

The Board has authorised the team consisting of the Company’s Chief Executive Officer, Chief Financial Officer and Company Secretary to determine the materiality of any event/ transaction/ information based on the criteria as provided in Clause 3 this Policy. The Key Managerial Personnel (Chief Executive Officer, Company Secretary and Chief Financial Officer) are severally authorised to disclose the said information to the stock exchanges.

The contact details of all the Key Managerial Personnel (KMP) shall be placed on the Company’s website and any change in the same shall be disclosed to the stock exchanges.

3. GUIDELINES FOR ASSESSING MATERIALITY

- a. Materiality has to be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event.
- b. In order to determine whether a particular event/information is material in nature, the Company shall consider the criteria(s) mentioned 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 is likely to result in significant market reaction if the said omission came to light at a later date; or
 - iii. If in the opinion of the Board of Directors, the event / information is considered material.
- c. An event/information shall be considered material if its value or the expected impact in terms of value exceeds the thresholds provided under the Regulations as may be determined on the basis of the consolidated audited financial statements of the immediately preceding financial year. An illustrative list of such events requiring disclosure on application of guidelines of materiality given above is provided in Exhibit I.

- d. Events/information specified in paragraph A of part A of Schedule III of the Regulations shall be disclosed to the Stock Exchanges without any application of materiality thresholds. An illustrative list of such deemed material events is provided in Exhibit II.

4. PROCEDURE FOR IDENTIFICATION, REPORTING AND DISCLOSURE OF EVENTS OR INFORMATION

- a. Who is responsible to identify and report occurrence of event/information:

The Senior Management of the Company in addition to such other persons as may be determined by the Chief Executive Officer from time to time (collectively referred as Key Management Officials) shall be the relevant stakeholders tasked with the responsibility of identifying and reporting of an event/information within the sphere of their functional roles to the KMP.

- b. To whom to report:

Upon occurrence of any event/information, the concerned Key Management Official shall forthwith inform to the Company Secretary and the Chief Financial Officer of the Company with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the Stock Exchanges.

The concerned Key Management Official shall, at all times, ensure that the information of occurrence of any event/information is mandatorily brought to the attention to the Chief Executive Officer without any delay, in addition to that of the Company Secretary and the Chief Financial Officer.

- c. Option to seek additional guidance:

Key Management Official may at any time consult the Company Secretary or in his/her absence any KMP, in case they are not able to identify or decide whether the particular event or information fall under the criteria specified under the Regulation or the Policy.

- d. Details to be reported:

- Key Management Official sharing the information shall send email with the Title “Confidential material event/information marked as “High Priority”. The email shall contain the basic details such as:

- i. Details/ Brief about the event/Information
- ii. Whether the event/Information is in the ordinary course or otherwise
- iii. Name of the Department/ Official from where the event/Information got generated.
- iv. Names of the persons who are aware about the said event/Information and additions to the names shall be immediately informed.
- v. Potential Impact of such event/Information
- vi. Whether the event/Information is emanating from within or outside the Company

- Key Managerial Official sharing the details of the event/ information shall be responsible to ensure that the email has reached the concerned KMP and necessary actions if any are initiated in this regard.

- e. Key Managerial Official shall participate in a discussion with the concerned KMP and provide all assistance/facts/details required for the purpose of identifying whether the subject event or information may result in potential material event or information requiring disclosure to the stock exchanges as per the Policy or Regulations.

f. Materiality assessment:

The team of authorised persons specified in Clause 2 above will then ascertain the materiality of such event(s) or information based on the guidelines specified in Clause 3.

g. Disclosure to the Stock Exchanges:

On completion of the assessment, where it is established that any event or information has an impact or whose expected impact is in excess of the prescribed thresholds as provided in the Regulations, the KMP(s) shall disseminate the event/information to the Stock Exchanges within the stipulated time period.

h. Additional compliance with Insider Trading Code:

Wherever applicable, Key Management Officials shall also ensure compliance with the provisions of Insider Trading Code of the Company and shall not deal in the securities of the Company till such time the said event or information becomes Public and or is considered as not material to be disclosed to the stock exchanges.

5. DISCLOSURES AND TIMELINES

The Company shall make disclosure of all such events/information within the specified timelines listed out in the Regulations as well as any other circulars issued by SEBI from time-to-time. The Company shall disclose this Policy on Company's website.

Further, the Company shall also disclose on its website all such events or information which has been disclosed to stock exchange(s) under this Policy, and such disclosures shall be hosted on the website of the Company for a minimum period of five (5) years and thereafter as per the archival policy of the Company, as disclosed on its website.

6. LIMITATION

In the event of any conflict between the provisions of this Policy and the Regulations or any other statutory enactments, the provisions contained in the Regulations or the statutory enactments shall prevail over this Policy.

7. AMENDMENTS AND UPDATES

The Board shall review periodically this Policy and shall also have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. The Board may also establish further rules and procedures, from time- to- time, to give effect to the intent of this Policy and further the objective of good corporate governance.

This Policy in whole or in part, shall stand modified / amended from time-to-time, without any further act on the part of the Company, should there be any statutory modification(s) / amendment(s) / revision(s) to the applicable provisions of the Regulations or any other enactments, as the case may be.

Illustrative list of such events requiring disclosure on application of guidelines of materiality

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) 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. 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 listed entity 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, by whatever named called, 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.
14. Any other information / event viz. major development that is likely to affect the 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 securities holders of the Company to appraise its position and to avoid the establishment of a false market in the securities of the Company.

15. Occurrence of any event or availability of information which is not specified pursuant to the Regulation 30 of the Regulations, but which may have material effect on the Company.

Illustrative list of deemed material events

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. 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.
5. 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, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.
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 senior management personnel of the Company.
8. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions.
9. One time settlement with a bank.
10. Schedule of analysts or institutional investors meet at least two working days in advance.
11. Initiation of Forensic audit
12. Announcement or communication through social media intermediaries or mainstream media of any event or information which is material for the Company in terms these Regulations and is not already made available in the public domain by the listed entity.

13. 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.
14. Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Act.