



**Pradeep Metals Limited**  
Manufacturers of Precision Closed Die Forgings

**POLICY FOR DETERMINATION OF MATERIALITY OF  
ANY EVENT/INFORMATION**

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**Date on which revised Policy placed at Audit Committee/Board Meeting: 4<sup>th</sup> August, 2023**



# **Pradeep Metals Limited**

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## **Preface**

The Board of Directors (the “Board”) of Pradeep Metals Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Materiality of events or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (The Policy). This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations.

## **Purpose of the Policy**

The purpose of this Policy is to determine materiality of events and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure of events information specified in para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchanges.

## **Criteria for determination of materiality of events/information**

The following criteria shall be considered for determining materiality of event / information:

- i. The omission of an event or information which is likely to result in a discontinuity or alteration of an 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;;
- iii. An event or information, whose value or the expected impact in terms of value exceeds the lower of the following:
  - a. Two percent of turnover, as per the last audited consolidated financial statements of the Company; or
  - b. Two percent of net worth, except in case of the arithmetic value of the net-worth is negative, as per the last audited consolidated financial statements of the Company;
  - c. Five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company

## **Disclosure of events or information**

- i. The events / information specified in Para A of Part A of Schedule III to the Listing Regulations upon occurrence of which the Company shall make disclosure to the Stock Exchanges without any application of the guidelines for materiality.
- ii. The events / information specified in Para B of Part A of Schedule III to the Listing Regulations upon occurrence of which the Company shall make disclosure to the Stock Exchanges after following the procedural guidelines as given in Para 3 of this Policy.



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### **Procedural Guidelines for determination of materiality of events/information**

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the Board has established an internal system for reporting any event / information which may require disclosure so that the event/information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges.

Under the system, Chief Executive Officer, Chief Operating Officer, Chief Finance Officer, Vice President, Head of the Departments who are responsible for relevant areas of the Company's operations (Responsible Officers) must report to Mr. Pradeep Goyal, CMD, Mr. Kartick Maheshwari, Chairman of Audit Committee and Mr. Abhishek Joshi, Company Secretary and Compliance Officer, any event/information which may possibly be material or of which the Responsible Officer is unsure as to its materiality. The event/information should be reported immediately after a Responsible Officer becomes aware of it.

On receipt of communication of potential material event/information, the Company Secretary and Compliance Officer will:

- i) Review event /information and to take whatever steps necessary to verify its accuracy;
- ii) Assess whether the event/information is required to be disclosed to the Stock Exchanges under the Listing Regulations;
- iii) Report the matter to Mr. Pradeep Goyal, CMD, Mr. Kartick Maheshwari, Chairman Audit Committee that event/information is material and requires disclosure under Regulation 30 of the Listing Regulations.
- iv) Submit or arrange for submission of the announcement with the Stock Exchanges place it on the website of the Company. All the announcements made under this Policy shall be kept on the website.

### **Communication of this Policy**

For all new Employees and Directors, a copy of this Policy shall be handed over as a part of the joining documentation, along with other HR related policies. For all existing Employees and Directors, a copy of this Policy shall be handed over within one month of the adoption of this Policy by the Board of Directors of the Company. This Policy shall also be posted on the website of the Company.

### **Amendment**

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

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