



**POLICY FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATIONS FOR DISCLOSURE**

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**Version – 1.1<sup>1</sup>**

**Effective 11<sup>th</sup> August, 2023**

[As approved by the Board of Directors on 11.08.2023]

**Tarsons Products Limited**  
**CIN: L51109WB1983PLC036510**  
**Martin Burn Business Park, Room No. 902 BP- 3, Salt Lake, Sector- V,**  
**Kolkata 700091, West Bengal, India**  
**T: +91 33 3522 0300, Email- [info@tarsons.com](mailto:info@tarsons.com), Website: [www.tarsons.com](http://www.tarsons.com)**

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<sup>1</sup> Version 1.0 (Effective from 12<sup>th</sup> December, 2021)

## POLICY FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION FOR DISCLOSURE

### INTRODUCTION

Tarsons Products Limited (hereinafter referred to as “Tarsons” or “Company”) has formulated this “Policy for Determining Materiality of Events/Information for Disclosure”) in accordance with the provisions of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI LODR/Listing Regulations/LODR”).

The Board of Directors of Tarsons through circular resolution passed on December 12, 2021 has adopted this Policy. This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR Amendments”) and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 (“SEBI Disclosure Circular”).

This Policy is applicable to the Company with effect from December 12, 2021, and the amended Policy is applicable to the Company w.e.f., August 11, 2023.

### OBJECTIVE OF THE POLICY

The objective of this Policy is to assist the employees of the Company in identifying any potential material events or information in an objective manner that may originate at the ground level which can be promptly reported to the authorised Key Managerial Personnel of the Company, as specified in this Policy, for determining the materiality of the said event or information. The Policy defines the Company’s responsibilities to ensure timely and adequate disclosure of material events and price sensitive information to the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited and on the website of the Company.

All provisions of Regulation 30 read with Schedule III of the LODR Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

### DEFINITIONS

In this Policy, unless the context otherwise requires:

- i. **“Act”** means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- ii. **“Company”** means Tarsons Products Limited.
- iii. **“Key Managerial Personnel”** means Key Managerial Personnel as defined in Section 2(51) of the Companies Act, 2013.
- iv. **“Material Events/Information”** shall mean events or information stated as such under regulation 30 of Listing Regulations read with Part A of Schedule III thereto.
- v. **“Mainstream media”** shall include print or electronic mode of the following:
  - Newspapers registered with the Registrar of Newspapers for India;
  - News channels permitted by Ministry of Information and Broadcasting under Government of India;
  - Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
  - Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India

- vi. **“Net Worth”** means net worth as defined in Section 2(57) of the Act.
- vii. **“Officer”** shall mean officer as defined under the Act and shall also include the Promoter of the Company.
- viii. **“Social media intermediaries”** shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
- ix. **“Turnover”** means turnover as defined in Section 2(91) of the Act.

#### **AUTHORIZED PERSON**

Regulation 30 (5) of Listing Regulations provides that the Board of Directors of the Company shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website.

Therefore, the Board of Directors have authorised the following for the purpose of determining materiality of an event or information (acting jointly) and making disclosure to Stock Exchanges.

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Mr. Sanjive Sehgal	Chairman & Managing Director
2.	Mr. Rohan Sehgal	Whole-Time Director
3.	Mr. Santosh Kumar Agarwal	Chief Financial Officer and Company Secretary

Details of the above KMPs are also available on the website of the Company.

#### **Powers and Responsibilities of the Authorised Person for determining material events or information within the Company:**

- a) To review and assess the materiality of an event that may qualify as ‘material’ and may require disclosure, on the basis of facts and circumstances prevailing at that point in time. In case the relevant authorized person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).
- b) The disclosure shall be finalized in consultation with the Mr. Rohan Sehgal, Whole-Time Director and in his absence, CFO or Company Secretary. For this purpose, the relevant details of event or information shall be sent to the Authorised Persons promptly or as soon as practicable to enable its disclosure to the stock exchanges.
- c) To make required disclosures within the stipulated time of actual occurrence of an event or information, after ascertaining facts.
- d) To disclose material developments on a regular basis, till such time the event or transaction is resolved/closed, with relevant explanations.
- e) To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- f) To disclose material events or information with respect to the subsidiaries of the Company.
- g) To protect the confidentiality of materiality/price sensitive information within the context of the Company's disclosure obligations

- h) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- i) The Authorised Person shall provide specific and adequate reply to all queries raised by the Stock Exchanges with respect to any event/information.

## **GUIDELINES FOR MATERIALITY ASSESSMENT**

### **I. Events which are deemed to be material events**

The Company shall disclose all events/information which are stated in Para A of Part A of Schedule III to the Listing Regulations are deemed to be material without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing such events shall be in compliance with the requirements of the SEBI Disclosure Circular.

### **II. Events which are dependent on application of guidelines for materiality**

The Company shall disclose all the events or information specified in Para B of Part A of Schedule III of the Regulations, based on application of materiality criteria, as set out under Listing Regulations.

### **Quantitative Criteria for determining the materiality of events or information**

Quantitative criteria would be calculated based on audited consolidated financial statements (consolidated to be read as standalone in case consolidation of accounts is not applicable) and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- i. two percent (2%) of turnover, as per the last audited consolidated financial statements of the Company; or
- ii. 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; or
- iii. 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 listed entity;

### **Qualitative Criteria for determining the materiality of events or information**

Qualitative criteria would mean an event/information:

- 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. any other event/information may be treated as being material if in the opinion of the Board of directors of Company, the event / information is considered material.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value/figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

#### **GUIDANCE ON WHEN AN EVENT/INFORMATION CAN BE SAID TO HAVE OCCURRED FOR DISCLOSURES UNDER REGULATION 30 OF THE LODR REGULATIONS**

The occurrence of material events/information could be either emanating from within or outside the Company by the its own accord or for reasons not in the hands of the Company. It can be classified as under:

- i. Depends on the stage of discussion, negotiation or approval; and
- ii. In case of natural calamities, disruptions, etc.,

In respect of the event under 6(i), the events/information can be said to have occurred upon receipt of the approval from the Board of Directors, e.g., further issue of capital by right issuance and in certain events/information after receipt of approval of both i.e., Board of Directors and 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 approval of the event by the Board of Directors, pending Shareholders' approval.

In respect of the events under 6(ii), 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 the possession of the information in the course of the performance of his duties.

#### **TIMELINE FOR DISCLOSURE OF ALL MATERIAL EVENTS OR INFORMATION IN TERMS OF THE PROVISIONS OF THE LISTING REGULATIONS**

The Company shall disclose to the stock exchange(s) all events or information which are identified as material in terms of the Listing Regulations & this Policy as soon as reasonably possible and in any case not later than the following:

- a) thirty (30) minutes from the closure of the meeting of the Board of Directors in which the decision pertaining to the event or information has been taken;
- b) twelve (12) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c) twenty-four (24) hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Further, in case of any delay, an explanation shall be provided by the Company in this regard. The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

#### **VERIFICATION OF RUMOURS**

Pursuant to amendment in Listing Regulations, 2015 dated June 14, 2023, top 100 listed entities (with effect from October 01, 2023) and top 250 listed entities (with effect from April 01, 2024) shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than twenty four hours from the reporting of the event or information:

Provided further that if the listed entity confirms the reported event or information, it shall also provide the current stage of such event or information.

The policy, by no means dilutes any requirement specified under the provisions of the Listing Regulations. In case of any ambiguity, the Listing Regulations shall override the contents of the Policy.

#### **REVIEW AND AMENDMENTS**

In case of any subsequent changes in the provisions of the Listing Regulations or any other regulations which makes any of the Clauses/provisions in the Policy inconsistent with the Regulations, the provisions of the Listing Regulations would prevail over the Policy and the Clauses/provisions in the Policy would be deemed to be modified accordingly. The Board also, at its discretion, has the power to review and revise the Policy.

This Policy does not, and shall not, in any manner dilute any of the requirements set out under Regulation 30 read with Schedule III of the LODR Regulations.

#### **DISCLOSURE ON WEBSITE**

As required under the SEBI Regulations, this Policy shall be hosted on the website of the Company.